

Philosophy, Policy and Management

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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 Tokujii 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.

“Be Original.” Corporate Motto



Be Original.

From the beginning, Sharp has been driven by originality.

We originate technologies that enhance lifestyles,

Inspire innovations that support individual expression,

And create products that let you be you.

There is only one Sharp.

There is only one you.

SHARP

We have infused two meanings into the word “original.”

1. Tokuji Hayakawa, Sharp's founder, left us with a spirit of "sincerity and creativity." We will pass this spirit on to future generations as the original foundation of who we are.
2. Sharp is a company that is always there for people and that constantly creates new value. By offering various products and services that are uniquely Sharp, we are continuously creating "original products just for you"—products and services that enable all of our customers to fulfill their wishes and dreams.

The period at the end represents our firm commitment to taking on challenges and initiatives with a strong sense of purpose.

"Be Original." is Sharp's promise to our customers around the world that we will remain a brand that creates value that is rich in originality and that is uniquely Sharp.

The "Be Original." motto is the foundation for our actions. We will communicate this motto as Sharp's declaration to all of our stakeholders at every point of contact.

Message from the President & CEO

Contribute to a sustainable society through innovations in business and technology

I believe that it is Sharp's social responsibility to use its business to contribute to solving social problems; for example, by reducing our impact on climate change and respecting human rights.

Under our policy of ESG-focused management, which we announced last fiscal year, we are concentrating on three goals—improving technological strength, fostering global awareness, and making the most of our people—as we accelerate the creation of new businesses.

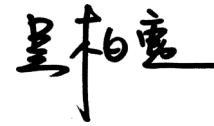
In April of this year, we reorganized our business group system into a new structure comprising the three brand businesses of the Smart Life & Energy Business, Smart Office Business, and Universal Network Business; and the two device businesses of the Display Devices Business and Electronic Devices Business. Under each of these are business units dedicated to new business areas.

And with the goal of taking Sharp's technological strength to the next level, we also established the Innovation Group, which ties together functions that support innovation company-wide.

These six business groups come together under “One Sharp” as we develop game-changing, innovative technologies and devices in numerous fields that will change people's lifestyles and work styles. This will ensure that we are always there for people and society and that Sharp achieves recognition as a company with a strong brand that continuously provides new value.

In May 2023, Sharp launched the Sustainability Committee, of which I am the chairperson. This committee will be the spearhead for a range of aggressive initiatives aimed at achieving a sustainable society. For example, the entire company will work to attain the medium-term environmental goals, which we set toward realizing our long-term environmental vision, SHARP Eco Vision 2050. One of these goals is achieving net zero CO2 emissions in Sharp business activities.

Robert Wu
President & Chief Executive Officer




As a signatory to the United Nations Global Compact since 2009, Sharp continues to support the 10 principles in the areas of human rights, labor, the environment, and anti-corruption. We also share the vision and mission of the RBA*, which we joined in 2021, throughout the entire Sharp Group. In this way, we will accelerate our efforts to effectively resolve global social issues.

Sharp's business philosophy states, “Our future prosperity is directly linked to the prosperity of our customers, dealers, and shareholders...”. With this in mind, we will continue working with all stakeholders in carrying out our ESG management so that we can achieve the SDGs and thereby help realize a sustainable and better world where no one on Earth is left behind.

August 2023

* RBA: Responsible Business Alliance—a nonprofit organization that pursues social responsibility across the global supply chain.

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

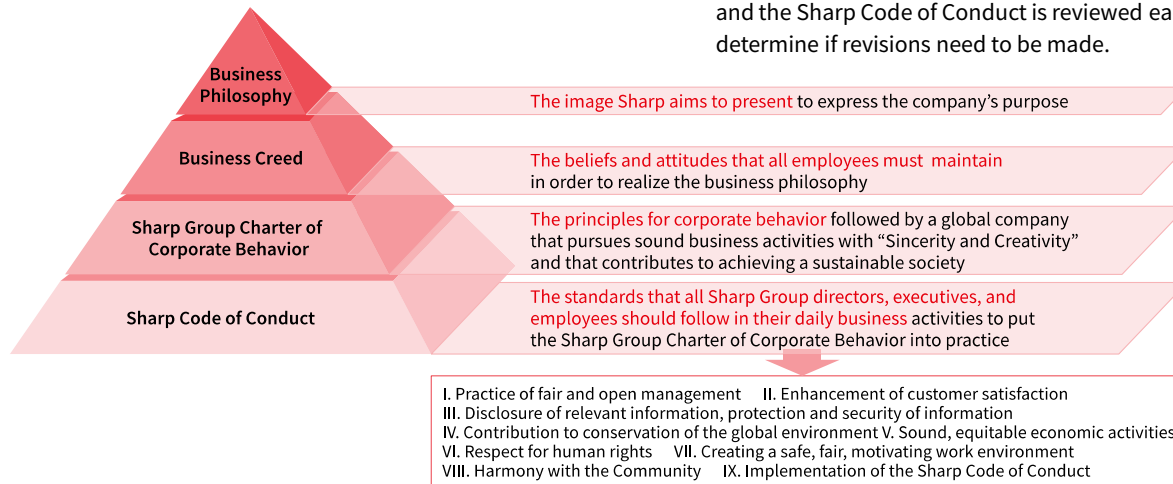
To concretize its business philosophy and business creed, the company has set out the Sharp Group Charter of Corporate Behavior to serve as the principles of behavior for Sharp Group companies, and the Sharp Code of Conduct to serve as a standard for all directors and employees. Sharp works to ensure 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.

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 2022, 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; information security and confidential information management; and the furthering of ESG. 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.

Related Information: > [Sharp Group Charter of Corporate Behavior](#)
[Sharp Code of Conduct](#)

■ System for Sustainability Policy



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, Sharp accelerated its efforts towards this medium-to long-term vision through a two-pronged approach: creating solutions to social problems through business and technological innovation, and reducing social and environmental impact through sustainable business activities. Sharp is making efforts through a fundamental strategy of proceeding with sustainable management aimed at the achievement of the SDGs.

Under our policy of ESG-focused management, which we announced in fiscal 2022, we are concentrating on three goals—improving technological strength, fostering global awareness, and making the most of our people—as we accelerate the creation of new businesses.

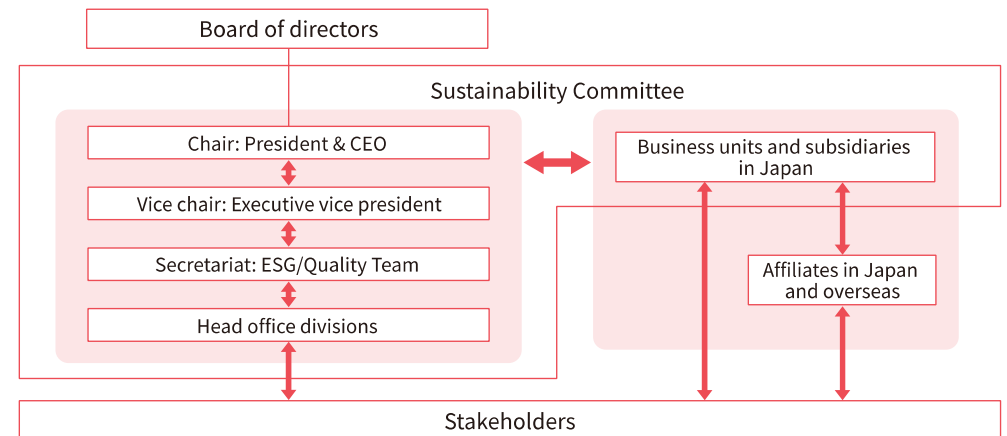
Through these efforts, we are contributing to solving the social issues facing us today: realizing a low-carbon world, solving medical and nursing care problems, eliminating labor shortages, and realizing a diverse range of lifestyles. These contributions will ensure that we are always there for people 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, and shares the latest trends in social issues. In addition, the committee reports important policies and decisions to the Board of Directors. 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 (as of August 2023)



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. The Global Compact is a voluntary initiative that involves using a global framework to achieve sustainable growth. 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](#)



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](#)



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](#)



SBTi (Science Based Targets Initiative)

In January 2020, we were certified for SBT WB2°C. This was a recognition that our targets for reducing greenhouse gas emissions are based in science and conform with the Paris Agreement.

Related information: > [SBTi](#)



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](#)



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, 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](#)



Other groups Sharp is a member of:

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

Management: Material Issues

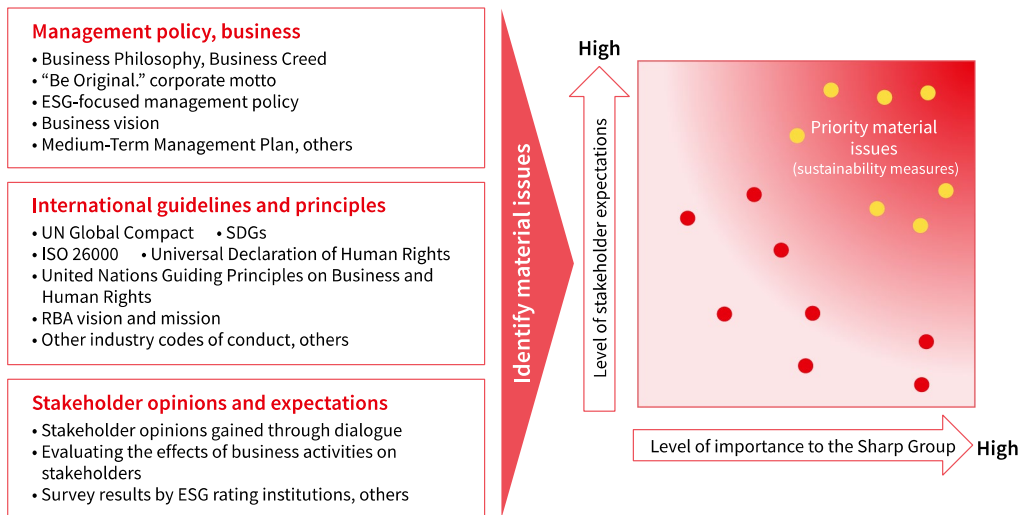
Identifying and Monitoring Material Issues

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 the material issues, we reviewed management policy, business strategy, and international guidelines and principles such as the UN Global Compact, the SDGs, and the RBA vision and mission. We also considered the opinions and expectations of various stakeholders, the effect of Sharp’s business activities on those stakeholders, and the results of assessments by ESG research and rating institutions.

■ Process for Identifying Material Issues



The material issues identified were mapped along the two axes of “level of stakeholder expectations” and “level of importance to the Sharp Group” and these were translated into sustainability measures to be taken in order of priority company-wide.

For each of the sustainability measures, business units and subsidiaries set their own targets, goals, KPIs, and action plans. The implementation and results of these are reviewed by the Sustainability Committee, which convenes twice a year.

* 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.

■ Fiscal 2023 Company-wide Sustainability Measures

Sustainability measures	Related SDGs
Make products energy saving	7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Reduce amount of virgin plastic in products and their packaging	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER
Create sustainable products	7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Reduce greenhouse gas emissions associated with business activities	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 13 CLIMATE ACTION
Reduce waste associated with business activities	6 CLEAN WATER AND SANITATION, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Reduce ESG-related risks at Sharp factories in and outside Japan	1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY
Reduce ESG-related risks across the supply chain	8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

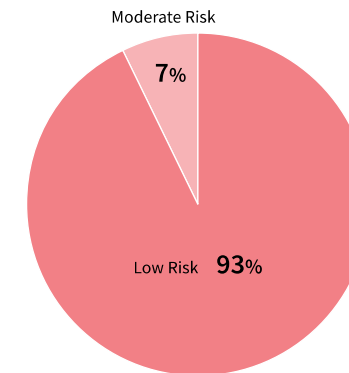
Management: Material Issues

Risk Evaluation in Line with International Standards

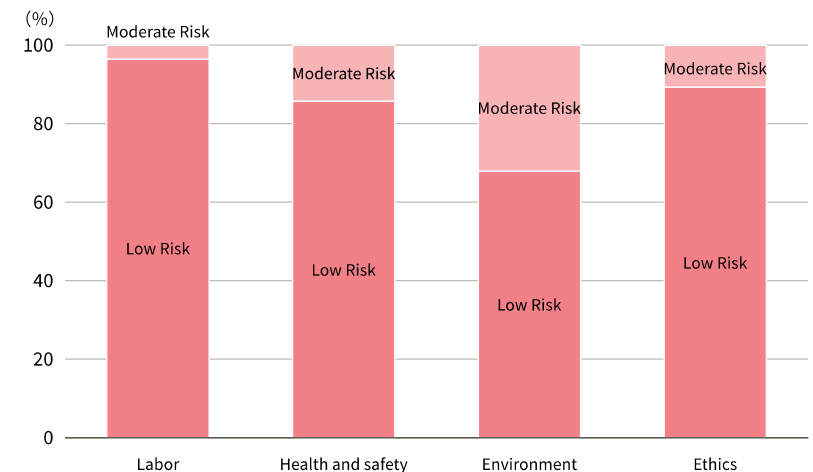
Sharp believes that to ensure global business expansion is accompanied by the creation of a sustainable society, it is extremely important to conform to international standards. Since fiscal 2015, the Sharp Group has been using the Sharp Supply-Chain CSR Deployment Guidebook, which was created in line 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 2022, the survey was carried out at 28 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 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 2022 was 91.2 (up from 90.6 the previous year), showing continued generally favorable assessments. Sites that got a “low risk” overall evaluation score comprised 93% of the total. No problems have been identified that pose an immediate, large risk for the Sharp Group as a whole. In fiscal 2023, as part of efforts to respond to customer requests and comply with product certification standards, certain factories in Japan and overseas will take RBA's VAP* audit to improve the objectivity and transparency of risk assessments. 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



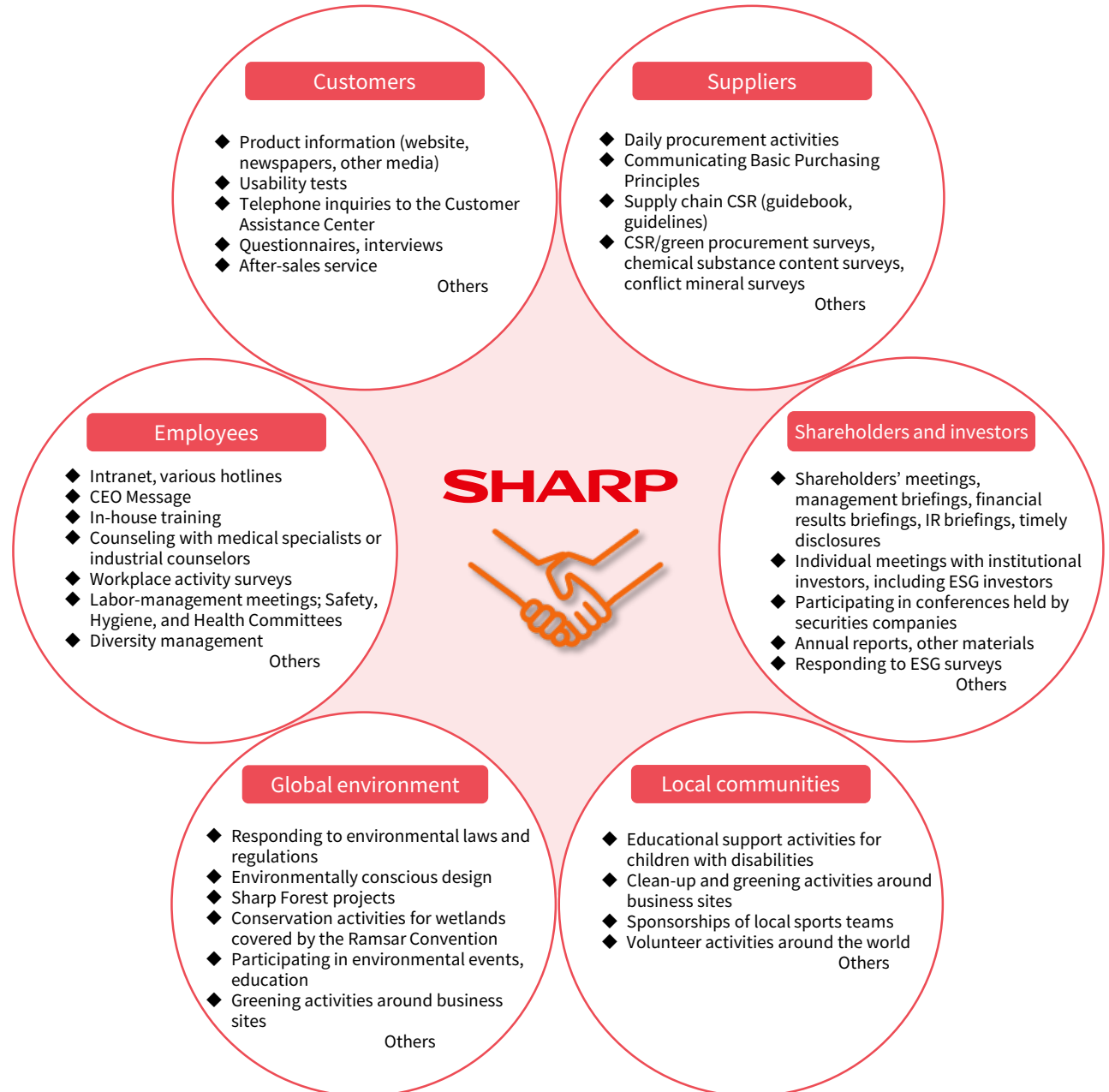
Area-Specific Assessment Ranking Distribution



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 2023 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 14 consecutive years.



FTSE4Good

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 seven consecutive years.



FTSE Blossom Japan Index

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.



FTSE Blossom Japan Sector Relative Index

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 Leaders Indexes

ESG indexes operated by MSCI Inc., an American finance company headquartered in New York. They are composed of companies that have the highest ESG rated performance in each sector. Sharp has been included in these indexes for six consecutive years.



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MSCI Japan ESG Select Leaders Index

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



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EcoVadis Sustainability Rating

EcoVadis 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 has received a Silver rating from EcoVadis.

