

Advanced Measures for Environmental Conservation as Management Policy

In accordance with environmental 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 conservation in all aspects of its business activities. Since fiscal 2004, when the medium-term corporate objective of becoming an environmentally advanced company was first set, Sharp has been promoting the Super Green Strategy to achieve its corporate vision and to establish sustainable manufacturing systems.

Basic Environmental Philosophy

Creating an Environmentally Conscious Company with Sincerity and Creativity

Medium-Term Corporate Objective: An Environmentally Advanced Company

Since fiscal 2004, Sharp has set forth the medium-term corporate objective of becoming an environmentally advanced company as its basic management policy, and has set its corporate vision as "Sharp's energy-creating and energy-saving products will more than balance out Sharp's greenhouse gas emissions." To achieve these goals, Sharp is globally developing a Super Green Strategy that aims to maximize environmental awareness.

Main Objectives and Fiscal 2007 Achievements

In fiscal 2007, Sharp's fourth year of pursuing the medium-term corporate objective of becoming an environmentally advanced company, Sharp began seeing results in a variety of areas.

With regard to environmental technologies, Sharp developed and put into practical use new technologies for closed-loop plastic material recycling, and also increased the use of recycled plastic and expanded its applications to the exterior components of home appliances. For its plant-based resin paint, which it is continually developing new applications for, Sharp was honored with the second Monodzukuri Nippon Grand Award, and awarded the Prize for Industrial Technology sponsored by the Japan Society of Colour Material.

Also, for the third year in a row, Sharp's products and devices exceeded sales percentage targets for all four kinds of Green Products and Green Devices.

Sharp has achieved the medium-term objective it set in fiscal 2004 of upgrading all 10 Sharp Corporation factories to Super Green Factories, as well as upgrading all other domestic and overseas Sharp Group factories, including those of subsidiaries and affiliates, to Green Factories or higher. Specifically, it has exceeded both domestic and overseas targets in terms of reducing greenhouse gases, and waste has decreased by double-digit percentages at overseas production sites for three years in a row. However, these reductions were all achieved per production unit, and Sharp will aim to reduce the absolute amount of emissions at existing factories in the future.

Other significant results include the start of the Green Office certification system, the reduction of discharge risks for chemical substances placed under high-priority control, and target-exceeding reductions of CO₂ emissions associated with distribution.

Sharp will further strengthen its policies related to becoming an environmentally advanced company, and will establish a system of sustainable manufacturing, with the top priority of contributing to the creation of a low-carbon society.

The Sharp Group Charter of Corporate Behavior

Contribution to Conservation of the Global Environment

The Sharp Group will fulfill our responsibility for environmental conservation by promoting the creation of proprietary technologies that contribute to protection of the global environment, and by carrying out our product development and business activities in an environmentally conscious manner.

The Sharp Code of Conduct

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

[Web](#) [Sharp Group Charter of Corporate Behavior \(full text\)](#)
[Sharp Code of Conduct \(full text\)](#)

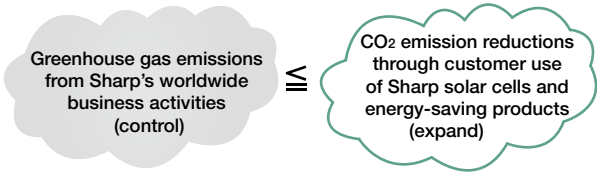
Stages	Themes	Major Objectives
Environmental Sustainability Management	Environmental management system	Implement Sharp Environmental Management System (S-EMS)
		Acquire ISO 14001 certification
		Build Integrated Management System (IMS) ^{*1}
		Conduct cross audits
		Introduce the Green Office certification system
Planning and Design	Establish 3R technologies	Promote closed-loop plastic material recycling
		Establish LCD TV recycling technology
	Develop Green Products	Increase Green Seal Products' share of net sales in Japan ^{*2}
		Increase Super Green Products' share of net sales in Japan
		Develop Green Devices
Increase Super Green Devices' share of net sales		
Manufacturing	Convert factories to Green Factories	Build Green Factories (GF) and Super Green Factories (SGF)
	Curb greenhouse gas emissions	Reduce CO ₂ emissions (per production unit)
	Reduce and recycle waste	Reduce amount of waste discharged (per production unit)
	Reduce risk from harmful chemicals	Reduce discharge risk of chemicals under high-priority control
	Logistics	Reduce distribution-related CO ₂ emissions
Reduce CO ₂ emissions		
Recycling	Recycle used products	Enhance and improve recycling systems

*1 The Integrated Management System is a system that simultaneously reduces environmental impact and improves quality.

*2 The sales ratio of Green Seal Products includes sales of Super Green Products.

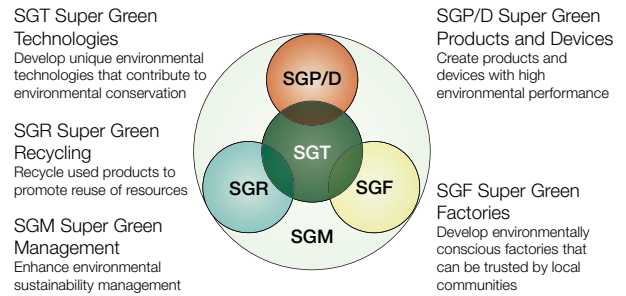
*3 The sales ratio of Green Devices includes sales of Super Green Devices.

Corporate Vision: Sharp's Energy-Creating and Energy-Saving Products Will More Than Balance Out Sharp's Greenhouse Gas Emissions



By reducing the amount of greenhouse gases emitted as a result of Sharp's worldwide business activities to the greatest extent possible, while at the same time significantly increasing the magnitude of reductions in greenhouse gas emissions through customer use of Sharp energy-creating solar cells and energy-saving products, the net reduction in greenhouse gases will more than balance out the level of emissions by fiscal 2010. For details, see page 14.

Super Green Strategy: Aiming to Become an Environmentally Advanced Company



Self Evaluation ○ : Achieved more than targeted ○ : Achieved as targeted △ : Achieved more than 80% of initial target × : Achieved less than 80% of initial target

Fiscal 2007 Objectives	Fiscal 2007 Achievements	Self Evaluation	Fiscal 2008 Objectives	Fiscal 2010 Objectives	See page(s)	
Introduce S-EMS at 22 overseas production sites	Introduced S-EMS at 22 overseas production sites	○	—	—	25-26	
Complete certification at all overseas non-production consolidated subsidiaries	Completed certification at all overseas non-production consolidated subsidiaries	○	—	—		
Build IMS at 6 domestic production sites in total	Built IMS at 4 domestic production sites in total	×	Build IMS at 5 domestic and 5 overseas production sites in total	Build IMS at 5 domestic and 12 overseas production sites in total		
Conduct cross audits at 10 overseas production sites in total	Conducted at 12 overseas production sites in total	◎	Conduct at 15 overseas production sites in total	Conduct at 22 overseas production sites in total		
Introduce trial runs of Green Office certification system at domestic non-production sites	Total of 17 domestic non-production sites certified	◎	Certify 30 domestic non-production sites in total	Certify 56 domestic non-production sites in total	15-16	
Use 800 tons of recycled plastic in new products	Used approx. 850 tons	◎	Use 1,000 tons	Use 1,400 tons		
Conduct experimental study of LCD TV recycling technology	Identified problems in LCD TV recycling and formulated solutions	○	Complete proof-of-concept experiments for LCD TV recycling	Construct LCD TV recycling line (fiscal 2009 objective)		30
Green Seal Products account for 90% or more of net sales	Approx. 95%	◎	90% or more	90% or more		
Super Green Products account for 50% or more of net sales	Approx. 60%	◎	55% or more	60% or more	31-32	
Green Devices account for 75% or more of net sales	Approx. 84%	◎	80% or more	90% or more		
Super Green Devices account for 15% or more of net sales	Approx. 21%	◎	20% or more	20% or more		
All 10 Sharp Corporation production sites SGF	All SGF	○	Put new SGF II policies in place	All business sites grade A or higher (fiscal 2012 objective)	33	
All 7 domestic production sites (subsidiaries/affiliates) GF or higher	All GF	○	2 SGF; all others GF	All business sites grade B or higher (fiscal 2012 objective)		
All 22 overseas production sites (subsidiaries/affiliates) GF or higher	All GF or higher (6 SGF and 16 GF)	○	9 SGF; all others GF	All business sites grade B or higher (fiscal 2012 objective)		
Japan (10 Sharp Corporation production sites): Product sites: Reduce by 2% from previous fiscal year (every fiscal year) Device sites: Reduce by 5% from previous fiscal year (every fiscal year)	Reduced by approx. 15% from previous fiscal year Reduced by approx. 7% from previous fiscal year	◎	Reduce by 2% from previous fiscal year (every fiscal year) Reduce by 5% from previous fiscal year (every fiscal year)	Japan: Reduce CO ₂ emissions per adjusted production unit ⁴ by 35% compared to fiscal 1990 levels at all production sites (average for fiscal 2008 to 2012)	34	
Overseas: Reduce by 2% from previous fiscal year at all production sites (every fiscal year)	Reduced by approx. 10% from previous fiscal year	◎	Reduce by 2% from previous fiscal year (every fiscal year)			
Japan: Reduce amount of waste discharged per production unit by 3% from previous fiscal year (every fiscal year)	Increased by approx. 14% from previous fiscal year	×	Reduce by 3% from previous fiscal year (every fiscal year)		35	
Overseas: Reduce amount of waste, etc. discharged ⁵ per production unit by 2% from previous fiscal year (every fiscal year)	Reduced by approx. 10% from previous fiscal year	◎	Reduce by 2% from previous fiscal year (every fiscal year)			
Reduce discharge risk at Sharp Corporation production sites in Japan by 60% compared to fiscal 2003	Reduced by 75% compared to fiscal 2003	◎	Formulate new policy for management of chemical substances	Set in place new policy for management of chemical substances (fiscal 2012 objective)	36	
Shift to environmentally friendly modes of transport Domestic railway cargo transport (container transport): 15,600 containers	20,619 containers	◎	—	—	37	
Reduce CO ₂ emissions per sales unit ⁶ by at least 1% from previous fiscal year by Sharp Group in Japan	Reduced by 14% from previous fiscal year	◎	Reduce by 1% from previous fiscal year (every fiscal year)			
Respond to increased number of items requiring recycling	Developed recycling technology for flat-panel (LCD) TVs (completed technical studies at laboratory level)	○	Build recycling system for flat-panel (LCD) TVs	Implement recycling system for flat-panel (LCD) TVs (fiscal 2009 objective)	38	

⁴ Per adjusted production unit (t-CO₂/100 million yen) = CO₂ emissions (t-CO₂) ÷ (production output (100 million yen) ÷ domestic corporate price index (electrical and electronic equipment) determined by the Bank of Japan)

⁵ Amount of waste, etc. discharged = Amount of waste discharged + amount of valuable resources

⁶ CO₂ emissions per sales unit (t-CO₂/100 million yen) = CO₂ emissions (t-CO₂) ÷ net sales (100 million yen)