

Objectives and Achievements in the Social Dimension of CSR

Sharp has established the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct as standards of conduct serving to fulfill Sharp's business philosophy and business creed, which are the origins of the Sharp Group's CSR. Based on the Group Charter of Corporate Behavior and the Code of Conduct, Sharp sets major social themes and targets within the framework of CSR, and develops various initiatives, while promoting ongoing efforts for improvement.

Promoting CSR Efforts in the Social Dimension

To promote CSR efforts in the social dimension, Sharp develops initiatives ranging from the company-wide level to the department level.

On the management level, Sharp established the CSR/BRM^{*1} Committee to hold discussions on basic policy directions and measures related to CSR and risk management, which are then deployed company wide.

Each functional group and head office department implements the measures discussed and determined by the CSR/BRM Committee across the entire company, and each business group sets and promotes action items specific to that group.

On the level of departments and employees, CSR is put into practice through measures broken down into specific duties. CSR is also implemented through participation in R-CATS^{*2} small-group activities and the Sharp Green Club (environmental social contribution activities).

*1 BRM: Business risk management

*2 R-CATS: Revolution Creative Action Teams

CSR Through R-CATS Small-Group Activities

R-CATS are small-group activities carried out not only by production and quality departments, but also by all work specialties and departments—from product planning and technology departments, to sales/marketing, procurement and administrative departments. Employees at all work sites in Japan and overseas set themes related to CSR to tackle common problems encountered during routine work activities, and then work together as a team to find solutions and put them into practice.

In fiscal 2007, more than 40,000 employees across the entire Sharp Group participated in R-CATS activities and became involved in CSR activities from the perspective of their individual workplaces.

Overall CSR Efforts in the Social Dimension for Fiscal 2007

Examples of Sharp's distinctive efforts in the social dimension of CSR are introduced in the Special Focus section (pages 17 and 18: social contribution activities in China, pages 19 to 21: expanding environmental social contribution activities [Sharp Forests, purification of reservoir water, and elementary school environmental education]).

In fiscal 2007, in addition to these efforts, Sharp achieved results in promoting initiatives such as putting in place and operating systems to improve quality (see page 44 Topics "Sharp Ranked No. 1 Overall in Quality Management").

In the future, Sharp will work proactively to incorporate these CSR initiatives into operational processes so that they function as a management system enabling regular progress assessments of such measures, as well as the identification of emerging problems and the implementation of further improvements in this area.

Field	Important Themes
Management	Improve, operate, and assess internal control system
	Practice compliance in business
	Strengthen business risk management
	Strengthen measures for maintaining confidentiality and information security
	Strengthen personal information protection system
For Customers	Secure quality and safety
	Create products that are easier to use
	Improve customer satisfaction
For Business Partners	Promote CSR across entire supply chain
For Shareholders and Investors	Improve communication with shareholders and investors
For Employees	Strengthen human resource development
	Develop company-wide affirmative action for women
	Promote occupational safety and health
For Local Communities	Expand and diversify social contribution activities

Self Evaluation ◎: Results exceeded objectives ○: Results nearly met objectives △: Certain results were accomplished

Actions for Fiscal 2007		Self Evaluation	Objectives for Fiscal 2008	See page(s)
Objectives	Achievements		Objectives for Fiscal 2008	
• Steady operation of internal control system	• Improved internal control system based on Basic Policy for Internal Control • Conducted internal control audits (tests/evaluations) • Constructed IT system to support operation of internal control system	○	• Operation and assessment of internal control system • Improve Basic Policy for Internal Control in conjunction with introducing executive officer system, etc. • Put into practice on an ongoing basis various policies related to internal control system • Implement internal control assessment in conjunction with start of internal control reporting system based on Japan's Financial Instruments and Exchange Act	6
• Improve compliance education and training tools	• Created compliance handbook (for sales/service and device business divisions)	△	• Expand and improve compliance promotion policies and measures • Strengthen system to promote compliance • Create compliance handbook (common version)	7
• Create BCM (business continuity management) system	• Implemented contingency training at domestic production sites and nearby sales bases (total of 16 bases) • Developed BCPs (business continuity plans) for business groups	○	• Expand and improve BCM system • Further strengthen BCM promotion system for business groups • Ongoing review and continuous improvement of BCPs • Prepare for occurrence of new influenza pandemic	7 website
• Extend self-checks and assessments for maintaining confidentiality and information security to overseas bases	• Implemented self-checks and assessments for maintaining confidentiality and information security at main overseas bases	○	• Extend self-check and assessment system for maintaining confidentiality and information security to affiliated companies in Japan	8
• Apply for and acquire Privacy Mark certification in Japan	• Developed infrastructure for acquiring Privacy Mark certification • Implemented internal audits of departments that handle personal information • Implemented group training related to protecting personal information at each business site	△	• Promote procedures to attain Privacy Mark certification • Continuously implement internal audits related to protecting personal information for departments that handle personal information • Continuously implement education and awareness policies related to protecting personal information for employees and others	8 website
• Further improve quality in early stages of product making (planning and design)	• Achieved better product quality and reliability and shorter evaluation cycle by expanding application of design parameters for development and design process • Strengthened analysis system by assigning more failure analysis technicians (currently 53 more than previous year) • Issued revised version of Company-Wide Technical Safety Standards (14th edition) and promoted product making in line with strengthened standards	○	• Reinforce design quality and product safety through use of statistical methods and tools • Expand number of design parameter applications for development and planning process • Update and strengthen Company-Wide Technical Safety Standards • Promote inter-company sharing of technical analysis capabilities	43 website
• Introduce more universal design products	• 109 models of 19 products recognized as universal design home appliances by Association for Electric Home Appliances in Japan • Implemented product improvements based on usability test results and analysis of customer feedback	○	• Improve products by taking on customer's point of view and introduce more universal design products • Activate Voice of the Customer (VOC) program to incorporate customer feedback into product making	43
• Improve phone call reception rate to achieve higher ranking in customer satisfaction surveys of inquiry response skills	• Phone call reception rate increased by 10.7 points over previous year as result of improvement efforts, including predicting number of inquiries and raising level of customer assistance agents' response skills	○	• Pursue "no customer waiting" responsiveness and faster, more reliable service • Reorganize reception system during peak times to improve consistency of phone call reception rate • Implement ongoing training in response techniques for customer assistance agents • Strengthen efforts to improve percentage of repairs that can be completed in one visit	44
• Improve supply chain CSR measures	• Constructed online response system for CSR Procurement Survey and conducted surveys targeting major suppliers in Japan	○	• Expand implementation of supply chain CSR measures overseas • Expand CSR Procurement Survey to local suppliers serving Sharp's overseas bases	45 website
• Improve information disclosure to shareholders and investors	• Renewed contents of investor relations website	○	• Improve information disclosure to shareholders and investors and respond to diversified needs of investors • Expand number of regions overseas hosting IR meetings • Hold explanation sessions for individual investors	47 website
• Promote continual development of diversified human resources and capabilities to deal with changes in business environment	• Developed global human resource development system, the Global Mid-Level Professional Human Resource Development Program (GMP Program) • Promoted career development rotations for engineers	○	• Promote cultivation of managerial personnel to support development of global business • Promote GMP Program	48
• Promote continuation of Corporate Affirmative Action for Women Strategy Program and consider additions to it • Expand and diversify systems for supporting balance between work and family	• 22.3% of female employees held junior manager (semi-managerial) positions (up 5% from 2005 when Corporate Affirmative Action for Women Strategy Program was initiated); 48 women were at management level (27 more than in 2005) • Initiated consideration of diversity management (strategy for utilizing employee diversity) • Implemented partial salary and new benefits for childcare leave (started April 2008)	△	• Promote diversity management • Introduce and develop program to utilize diversity of female, physically or mentally challenged, and elderly employees, and non-Japanese employees in Japan	49 website
• Strengthen industrial accident risk reduction activities • Improve safety and health awareness of newly assigned temporary staff and employees of subcontractors stationed inside Sharp sites in Japan	• Conducted safety and health inspections at 10 major domestic plants • Promoted major bimonthly theme-based targets (six themes in total) • Provided safety and health education for newly assigned temporary staff and employees of subcontractors at each site	○	• Strengthen industrial accident risk reduction activities • Conduct regular safety and health inspections at 11 major domestic plants • Continue with preparations for introduction of occupational safety and health management system	50
• Strengthen efforts to promote mental health care	• Distributed handbook to all employees • Set up counseling system through outside medical service institute • Carried out mental health training for all employees • Carried out stress checks for all employees	○	• Continue strengthening efforts to promote mental health care • Expand support system for employees taking or returning from medical leave due to mental health reasons • Continue to carry out stress checks for all employees	50 website
• Strengthen measures against lifestyle diseases	• Achieved periodic physical checkup rate of 99.9% • Promoted weight-loss programs for employees with metabolic syndrome • Promoted company-wide fitness programs • Promoted company-wide walking programs such as team walking	○	• Continue strengthening measures against lifestyle diseases • Attain 100% participation in periodic physical checkups (including special health exams) • Strengthen guidance for employees with metabolic syndrome (improving exercise, diet, and smoking habits)	50 website
Japan: • Create Sharp Forests at 10 or more locations • Provide environmental education at 500 elementary schools for the year • Expand local social contribution activities at sales and service bases Overseas: • Expand activities centered on Sharp Charity Foundation in China • Develop network for social contribution activities at overseas bases	• Created Sharp Forests at 10 locations • Provided environmental education at 537 elementary schools • Total of 12,836 people participated in 572 local social contribution activities at 85 bases • In China, provided scholarships (about 180 people at 11 universities), donated Sharp products (about 150 air purifiers to approx. 60 public hospitals), planted trees to control drifting sand and dust in Tianjin, and carried out beautification campaigns in areas near Sharp bases • Developed network to gather information on environmentally related social contribution activities from overseas bases	◎	Japan: • Continue Sharp Forest activities • Provide environmental education for at least 500 elementary schools for the year • Continue local social contribution activities at all Sharp sales and service bases Overseas: • Continue activities centered on Sharp Charity Foundation in China • Expand environmental education in overseas regions	17·18·19 20·21· 51·52 website