

Sustainability

See the following for more information on sustainability.
<https://global.sharp/corporate/eco/management/>

Basic Approach to Sustainability

As stated in our business philosophy, the founding spirit of Sharp aims to contribute to the culture, benefits, and welfare of people throughout the world and expects mutual prosperity with all who cooperate with Sharp. Guided by this spirit, our basic approach to Sustainability is to aim for the sustainable development of both Sharp and society, answering the expectations of society and our stakeholders.

To embody this business philosophy and business creed^{*1}, we established the Sharp Group Charter of Corporate Behavior as a code of conduct for group companies and the Sharp Code of Conduct^{*2} for all directors, executives, and employees. We work to ensure each officer and employee is thoroughly informed of these policies.

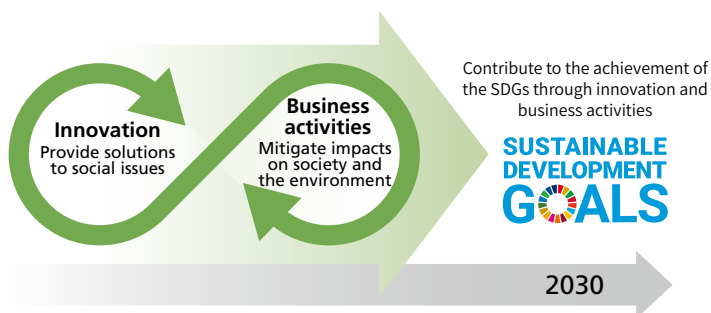
*1 See below for more about our business philosophy and business creed.
<https://global.sharp/corporate/info/philosophy/>

*2 See below for more about the Sharp Group Charter of Corporate Behavior and Sharp Code of Conduct.
<https://global.sharp/corporate/info/charter/>

Sustainability Strategy and Promotion Structure

Sharp takes initiative to achieve the Sustainable Development Goals (SDGs). We set our medium- to long-term vision as contributing to the achievement of these goals based on our basic approach to sustainability. The SDGs were adopted by the United Nations in September 2015 and set high expectations for companies.

In fiscal 2018, we defined our basic strategy of sustainable management as aiming to contribute to the achievement of the SDGs through “solving social issues through business and technological innovation” and “Mitigating impacts on society and the environment through sustainable business activities,” and have been accelerating our efforts to achieve the medium- to long-term vision.

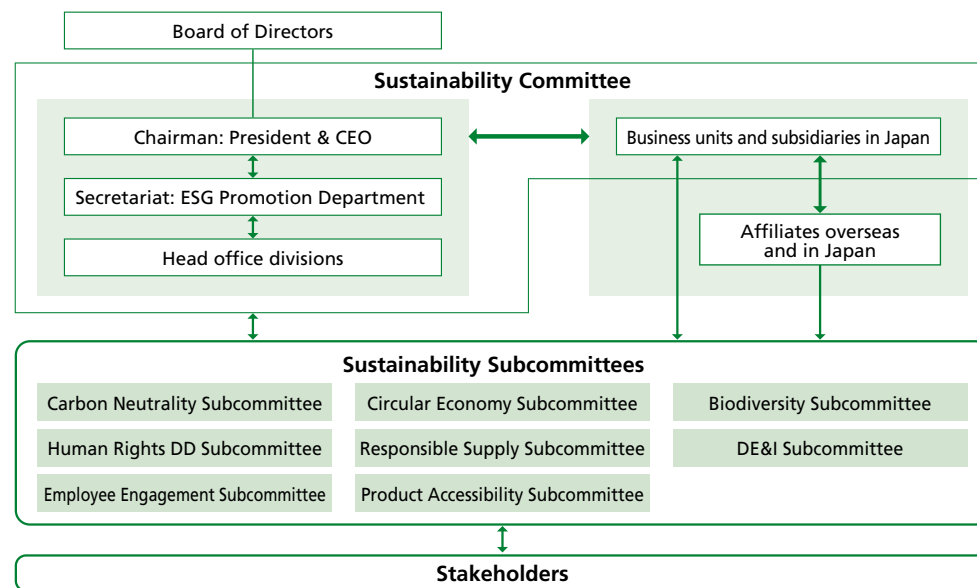


To break down these strategies to actionable measures managed and monitored the progress via the PDCA cycle, Sharp launched the Sustainability Committee. The committee is chaired by the Representative President and CEO, and consists of senior executives, Head office divisions (e.g., environment/HR/procurement), business units, and subsidiaries. This committee deliberates and pursues various measures, implements policies and vision, and conducts activities that include communicating the latest trends related to social issues. In addition, the committee reports important policies and decisions to the Board of Directors.

We established a Sustainability Subcommittee on key topics in fiscal 2024, accelerating our efforts.

Organization for Sustainability Management

(As of August, 2024)



Major Fiscal 2023 Sustainability Committee Agenda (Held Twice)

- Thorough implementation of fiscal year sustainability initiatives policies
- Status of efforts to achieve SDGs
- Status of technological developments that contribute to sustainability
- Status of our contribution to carbon neutrality
- Status of efforts to achieve a circular economy
- Status of ESG risk assessments at our factories
- Status of efforts to achieve responsible mineral procurement
- Reports on Employee ESG Awareness Survey results, etc.

Sustainability

Material Issues

There are successive announcements of international medium- to long-term goals aimed at resolving global social issues, such as the SDGs and the Paris Agreement*. Amid growing concern about human rights issues, such as forced labor in global supply chains, expectations for corporate sustainability initiatives are further increasing.

Against this background, we identify material issues and make efforts to promote sustainable management from both the perspectives of contributing to the resolution of global social issues and achieving medium- to long-term growth for the Sharp Group.

In identifying material issue, we take into account international guidelines and principles, and non-financial disclosure standards, such as the UN Global Compact, SDGs, and the RBA vision and mission, in addition to our business philosophy, business creed, and Medium-term Management Direction. We also consider opinions and expectations from various stakeholders, and evaluation results from ESG rating and rating agencies.

Process for Identifying Material Issues

Management Policy and Business Strategy

- Business Philosophy and Business Creed
- Medium-term Management Direction, etc.

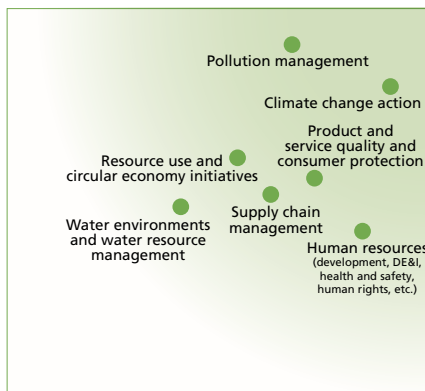
International Guidelines and Principles

- The 10 Principles of the UN Global Compact
- SDGs • ISO26000
- ISSB, ESRS, and other disclosure standards
- GRI, SASB, and other disclosure guidelines
- United Nations Universal Declaration of Human Rights
- United Nations Guidance Principles on Business and Human Rights
- RBA Vision & Mission
- Other industry codes of conduct, etc.

Stakeholder Opinions and Expectations

- Feedback and opinions from stakeholders through dialogue
- Survey results from various ESG institutions, etc.

Impact on the Environment and Society



Impact on Corporate Finance

We determine identified material issues as topics to be prioritized at a company-wide level from the perspectives: 1) Impact on the environment and society and 2) Impact on corporate finance.

For priority matters identified, we set targets, goals, KPIs, and action plans for each measure. We review the performance and status of these initiatives at the semiannual Sustainability Committee, sustainability subcommittees, and other company-wide meetings.

*Multilateral international consensus agreement on climate change control adopted at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) in Paris in 2015. States that efforts will be pursued to keep the increase in global average temperature well below 2°C above pre-industrial revolution levels as well as to limit the increase to 1.5°C.

Participation in Initiatives

Sharp conducts corporate management while respecting international guidelines and norms as a member of the global community.

United Nations Global Compact

WE SUPPORT

RMI
(Responsible Minerals Initiative)

RBA
(Responsible Business Alliance)

Sharp joined the RBA, an alliance of companies that pursues social responsibility across the global supply chain, and endorse the RBA vision and mission.

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

TCFD
(Task Force on Climate-related Financial Disclosures)

SBTi (Science Based Targets Initiative)

GX League

Circular Partners
(Industry-Government-Academia Partnership on Circular Economy)

TNFD
(Taskforce on Nature-related Financial Disclosures)

Forum Member

30by30 Alliance for Biodiversity

Other Major Initiatives

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)