# 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



2,155 people

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



2.56%

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

## HR Strategy (HITO-Based Management)

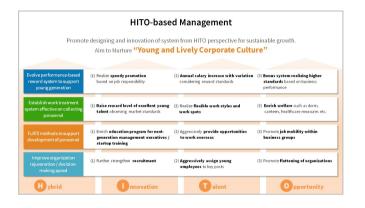
Contents

### **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%)

## **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	<ul> <li>Expanded human resource development programs         Held company-wide study sessions (technology, management)</li> <li>Continued with new business proposal activities         Held new business proposal meetings, opened startup training</li> </ul>	** **	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

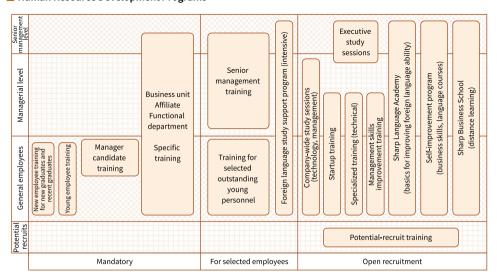
Self-evaluation: ★★★ Achieved more than targeted / ★★ Achieved as targeted / ★ Achieved to some extent

#### 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.

<sup>\*</sup> Environmental, social, governance.

## **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.

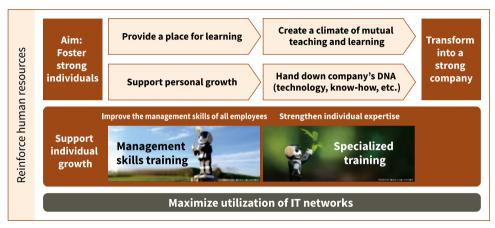
## **Company-Wide Study Sessions (Technology, Management)**

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 companywide 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.

## **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 ondemand 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.

# 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).

## 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

## **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	**	<ul> <li>Promote action plan in line with the Act on the Promotion of Women's         Active Engagement in Professional Life</li> <li>Maintain 2.5% employment rate for the disabled</li> </ul>

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.





## **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

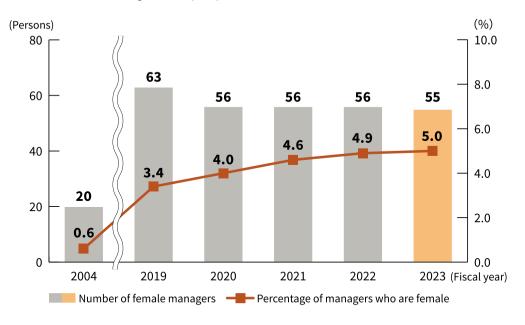
Goal	Deadline
<ul> <li>Have at least 15% of new graduates hired for engineering jobs and 50% of new graduates hired for non-engineering jobs be women</li> <li>Have at least 5% of managers be women</li> <li>Have at least 95% of female employees having returned to work after taking childcare leave stay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

## **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.

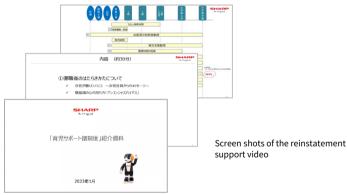
#### ■ Number of Female Managers at Sharp Corporation



### **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.



## **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**

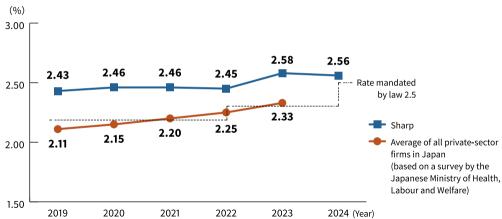
Ever since Sharp founder Tokuji Hayakawa established the "accumulation of community service" as one of the "Five Accumulations of Competency\*1," Sharp has been actively involved in social service and welfare. The entire Sharp Group makes efforts to promote the employment of the disabled and to create 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.

#### **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.

<sup>\*1</sup> Accumulation of trust, accumulation of capital, accumulation of community service, accumulation of human resources, and accumulation of trading partners.

## **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.

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.



Using the VR device designed to simulate menstrual pain

#### 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

# **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

## **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

# **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

Contents

- 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.
- 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.

Social Initiatives

Governance

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



# **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).

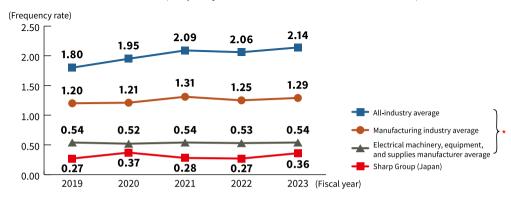
Indicator that represents the incidence of industrial accidents per million work hours (one day or more of suspended operations).

## **Promoting Occupational Safety and Health**

#### Activities to Reduce Industrial Accidents

ltem	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)



<sup>\*</sup> 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.

# **Promoting Occupational Safety and Health**

#### Company-Wide Health Initiatives

Contents

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,



Mr. Get, the mascot for Healthy

- (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.

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

Target management factors	Regular health checkup questionnaire (medical examination items)	Desired answer
	Eats faster than other people	No
(1) Diet	Eats dinner within two hours before bedtime three or more times a week	No
(1) Diet	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	At least two days per week, performs exercise that lasts for at least 30 minutes per session and produces a light sweat	Yes
habits	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 Used to smoke but hasn't in the last month	No 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

- Maili ACTIVI	ties									
		Ta	arget factors for managen	nent						
	(1) Diet	(2) Exercise habits	(3) Sleep	(4) Smoking	(5) Drinking					
Education/ information dissemination	Monthly diss     Training on F	<ul> <li>E-learning (all employees)</li> <li>Monthly dissemination via the intranet of information relating to the five lifestyle habits</li> <li>Training on Healthy Sharp and regular, healthy lifestyle habits (for new employees, online/group training)</li> <li>Health education on the five lifestyle habits (online/group training)</li> </ul>								
	Education or	n metabolic syndrome and lifes	tyle disease prevention fo	or people in their 30s (onli	ne/group training)					
	Individual co	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)								
Consultation	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						

## **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

#### **Primary prevention**

#### Prevention, health improvement

Measures to prevent mental health issues

#### Legally designated stress check

(Make employees aware of stress, give high-stress people interviews and guidance, and follow up by analyzing participants)

### Secondary prevention

#### Early detection, early treatment

Measures to prevent worsening of mental health issues

#### **Tertiary prevention**

# Return to work, prevent reoccurrence

Measures to ensure a smooth return to work and prevent the reoccurrence of mental disorders

#### Mental health counseling by outside specialists

(Contact with expert counselors in person, online, or by phone, email or social networking service)

# Mental health information provision

#### **Event-related screening and interview**

(joining the company, workplace transfer [with or without family], promotion, long work hours, etc.)

#### Mental health counseling meetings

(Periodic counseling with specialists at key sites)

#### Return-to-work support program

(Trial return to work, consultation upon returning to work, shorter work hours, and work support systems)

## 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.

# **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

## **Human Resources Data**

#### ■ Employees

#### By Region, Consolidated

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

<sup>\*1</sup> Permanent employees

#### **Sharp Corporation**

ltem		Scope		Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Directors, audit and	Sharp Corporat	tion		7	7	7	
supervisory			Men	7	7	7	
committee members	5		Women	0	0	0	
Number of	Sharp Corpora	Sharp Corporation		5,674	5,321	5,029	
employees*2				4,918	4,576	4,290	
			Women	756	745	739	
		Executive office	ers	9	4	8	us
			Men	9	4	8	Persons
			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 Corporat	tion		45.5	45.6	45.5	
		Men Women		45.9	45.9	45.9	Age
				43.0	43.4	43.3	
Average years of	Sharp Corpora	tion		22.7	22.4	21.6	S
service*2			Men	23.1	22.7	21.9	Years
			Women	20.4	20.7	19.6	_

<sup>\*2</sup> Permanent employees

#### ■ Hiring and Turnover

Item	Scope		Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Number of hires*3	Consolidated subsidiaries in Japan		-	-	617	
		Men	-	-	471	]
		Women	-	-	146	Persons
	Sharp Corporation*4		-	-	191	Pers
		Men	-	-	138	
		Women	-	-	53	
Turnover*3*5	Consolidated subsidiaries in Japan		-	-	4.7	
		Men	-	-	4.5	
		Women	_	-	6.0	<b>%</b>
	Sharp Corporation		-	-	4.6	] 70
		Men	-	-	4.4	]
		Women	-	-	6.2	

<sup>\*3</sup> 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	Consolidated sub	Consolidated subsidiaries in Japan		-	88.9	88.5	
composition ratio,			Women	-	11.1	11.5	
by gender*6	Managers	Men	-	-	96.4		
			Women	-	-	3.6	
		General staff	Men	-	-	87.0	
			Women	-	-	13.0	] <sub>%</sub>
	Sharp Corporation		Men	86.7	86.0	85.3	90
			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	Consolidated	Under 30 years o	ld	-	-	11.8	
composition ratio,	subsidiaries in	30 to 49 years old	d	-	-	38.6	1
by age*6	Japan	50 years and old	er	-	-	49.6	١,,
	Sharp Under 30 years Corporation 30 to 49 years of		ld	-	-	12.9	%
			d	-	-	38.0	1
		50 years and old	er	-	-	49.1	1

<sup>\*6</sup> Permanent employees

## **Human Resources Data**

## Diversity

Personnel Composition at Major Overseas Subsidiaries

Item		Scope		Fiscal 2021	Fiscal 2022	Fiscal 2023	Unit
Personnel	SEC (US)		Men	71.0	68.9	68.8	
composition ratio,	Sales, production		Women	29.0	31.1	31.2	]
by gender		Directors,	Men	82.0	79.2	78.3	] ,,
		managers	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)		Men	74.8	74.1	74.7	
	Sales, production		Women	25.2	25.9	25.3	
		Directors,	Men	76.6	77.6	73.7	<b>%</b>
	⊢	managers	Women	23.4	22.4	26.3	90
		Non-managers*1	Men	74.4	73.3	74.9	
			Women	25.6	26.7	25.1	
	SEID (Indonesia)		Men	71.0	71.5	71.9	
	Sales, production		Women	29.0	28.5	28.1	
		Directors,	Men	83.0	83.3	83.5	<b>%</b>
		managers	Women	17.0	16.7	16.5	] 70
		Non-managers*1	Men	70.3	70.8	71.1	
			Women	29.7	29.2	28.9	
	SATL (Thailand)		Men	30.5	32.4	33.3	
	Production		Women	69.5	67.6	66.7	
	Directors,	Men	65.8	63.3	60.6	<b>%</b>	
		managers	Women	34.2	36.7	39.4	] 70
		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	SOCC (China)		Men	30.1	31.0	31.5	
composition ratio,	Production		Women	69.9	69.0	68.5	
by gender		Directors,	Men	83.0	84.8	85.2	] _,
		managers	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)		Men	65.0	64.5	64.4	
	Production		Women	35.0	35.5	35.6	
		Directors, managers	Men	63.9	64.6	66.1	-l l
			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)	•	Men	47.2	47.1	46.3	
	Production		Women	52.8	52.9	53.7	]
		Directors,	Men	49.0	60.1	60.5	] ,,
		managers	Women	51.0	39.9	39.5	%
		Non-managers*1	Men	46.9	46.0	44.9	
			Women	53.1	54.0	55.1	

<sup>\*1</sup> Permanent employees

## Annual Average Wage Ratio, by Gender

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

<sup>\*2</sup> Based on Japan's Act to Facilitate the Employment of Persons with Disabilities

## **Human Resources Data**

#### ■ Work-Life Balance

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

<sup>\*1</sup> Permanent employees

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

<sup>\*2</sup> Childcare leave, parental leave, paternity leave

#### ■ Human Resource Development

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

<sup>\*6</sup> 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	Frequency rate	0.28	0.27	0.36	-
	in Japan	Number of fatalities	0	0	0	Persons

<sup>\*3</sup> 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.

<sup>\*4</sup> Figures for fiscal 2021 have been revised (rounded down to the nearest whole number).

<sup>\*5</sup> Percentage of employees still working 12 months after returning to work.

# 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.

Related information: > Modern Slavery Act Transparency Statement

<sup>\*</sup> See page 015.

# 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.

## **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.

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.).

# 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.



## 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**

Contents

#### **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: > <u>Basic Purchasing Principles</u>

## Basic Purchasing Principles Requests to Suppliers

- 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

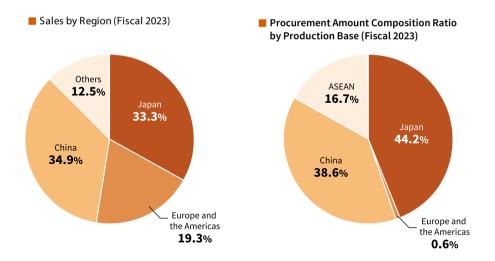
## Determining Procurement from the Standpoint of Providing Equal Opportunity and Fair Evaluation

## 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.



## 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

# **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.

## **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

<sup>\*</sup> See page 010.

## **Promoting CSR across the Entire Supply Chain**

### **Promoting CSR Awareness and Conducting Risk Assessment at Suppliers**

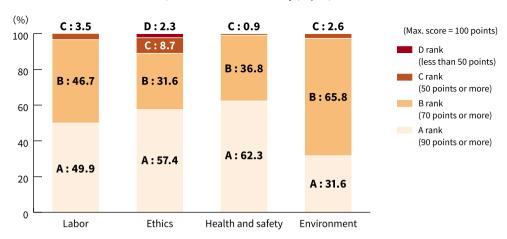
Sharp periodically carries out CSR/Green procurement surveys to confirm how well suppliers are carrying out CSR based on the Sharp Supply-Chain CSR Deployment Guidebook and to identify, assess, and reduce CSR risk in the supply chain.

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-related goals and indicators not disclosed	Disclose goals and indicators within one year		
Health and safety	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		
	Lack of a manual for properly managing ethical conduct	Formulate a corporate ethics policy		
Ethics	Employees are not sufficiently informed of permissible ethical conduct	Post information on bulletin boards in all departments		
	permissible ethical conduct	Provide e-learning to employees		
	It cannot be confirmed whether suppliers are conducting themselves ethically	Conduct a questionnaire among suppliers		
	BCP is not regularly reviewed	Implement regular review		
ВСР	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		

# **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.

#### 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.

<sup>\*1</sup> See page 134.

# **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: > <u>Japan Center for Engagement and Remedy on</u>
<u>Business and Human Rights (JaCER)</u>

## **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.

## Audits and Education to Ensure Full Compliance with the Subcontract Act

In Japan, Sharp Corporation and its affiliated companies implement compliance checks and inhouse 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)

## **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.

## **Responsible Minerals Procurement**

Contents

## 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	<ul> <li>Formulate and make public a basic policy for responsible minerals procurement, and convey this throughout the company and industry.</li> <li>Make responsible minerals procurement a key theme under the Sustainability Committee, and constantly check on the progress of relevant measures.</li> <li>Put articles, including responsible minerals procurement requirements, of the Sharp Supply-Chain CSR Deployment Guidebook into basic parts purchase agreements.</li> <li>Take part in JEITA's Responsible Minerals Sourcing Inquiry Briefings and promote capacity building through supplier mobilization.</li> </ul>
Step 2: Identify and assess risk in the supply chain	<ul> <li>Conduct supplier surveys using CMRT and EMRT.</li> <li>Use a proprietary survey system to check CMRT/EMRT returned by suppliers and assess risk.</li> <li>(Detect and identify risks according to Annex II of the OECD Guidance.)</li> </ul>
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	<ul> <li>Periodically confirm and verify RMAP audit results on the RMI website.</li> <li>Work with industry in sending outreach letters to smelters/refiners that are not yet participants of RMAP urging them to participate.</li> </ul>
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	<ul> <li>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</li> <li>Began efforts to step up accessibility, including holding workshops with disabled persons</li> </ul>	**	■ 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.

President

Head office department
President

Business units and affiliates
Heads of business units and affiliates
Quality managers

Quality managers

Quality assurance
divisions

# 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 Assurance Activities in the Product-Making Cycle



### **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.

■ 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.

# **Fostering Quality Experts**

#### Fostering Quality Experts

2nd half of 3rd yea

1st half of 3rd year

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 OJT\*1 **Practical** Training in solving problems training Laws and regulations, product safety, Specialized training packaging, design review, usability, environment OFF-JT\*2 Quality thinking, 7 QC\*3 tools, **Basic training** statistical analysis, reliability engineering, quality engineering Quality engineering training Procured products quality improvement training 1st half of 4th yea

		meroductory truming	
2nd half of 2nd year	Product safety training (technology, legal, product security)	Universal design introductory training	
1st half of 2nd year	Basic training in product liability	Usability engineering training for beginners	
2nd half of 1st year	Quality engineering training for beginners		
1st half of 1st year	Quality control introductory training		

Product environmental laws and

regulations training (introductory)

Risk assessment (product safety)

introductory training

Reliability engineering training

Statistical analysis training

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

<sup>\*1</sup> OJT: On the job training. \*2 OFF-JT: Off the job training. \*3 QC: Quality control .

# **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.

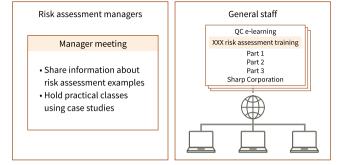
### **Efforts to Ensure Product Safety**

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

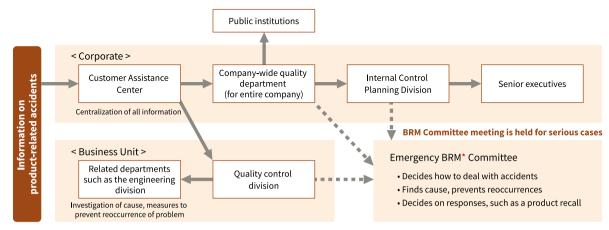


# Information Disclosure and Response When Problems Occur

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



<sup>\*</sup> BRM: business risk management.

Contents Editorial Policy Philosophy, Policy Sharp and the SDGs Environmental Social Initiatives Governance

# **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

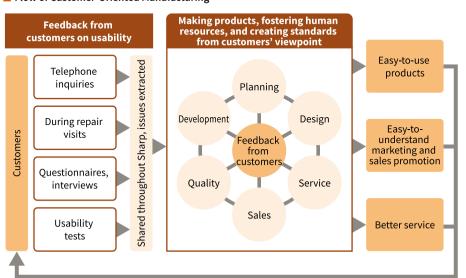
# Making Easier-to-Use Products

### **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.

<sup>\*</sup> 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)

# 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 (elearning), 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)

Contents Editorial Policy Philosophy, Policy Sharp and the SDGs Environmental Social Initiatives Governance

# 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





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

# **Enhancing Customer Satisfaction**

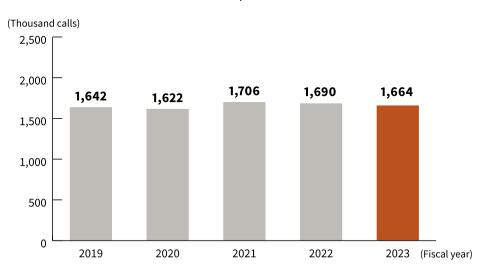
#### **Aiming for Customer-Oriented Services**

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



Text-to-speech

Audio/subtitle commentary

Making the text and images on web pages capable of being spoken aloud via text-to-speech

Providing image descriptions and video transcripts

**Keyboard operations** 



Ensuring all operations can be performed using the keyboard

Contrast





Ensuring sufficient contrast ratio

# **Enhancing Customer Satisfaction**

### **Reliable Operation**

Contents

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

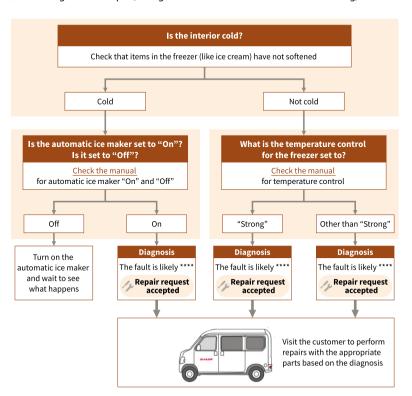
Personnel		Implementation	
Trainees		Acquire basics in manners, product knowledge, and consumer-related laws and regulations	
Customer		Test ability to serve as customer consultants	
consultants	After starting	Improve customer consultant skills through periodic training and study sessions	
	their jobs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



# **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

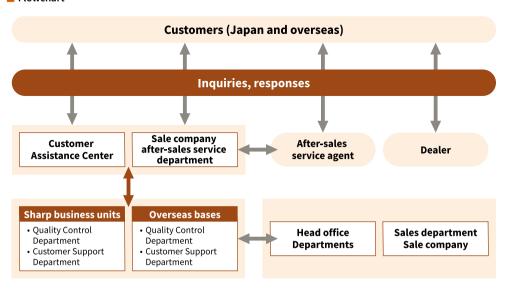
Building a relationship of trust through quality and service so that customers choose Sharp now, next time, and every time

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



# **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.





# **Enhancing Customer Satisfaction through After-Sales Service**

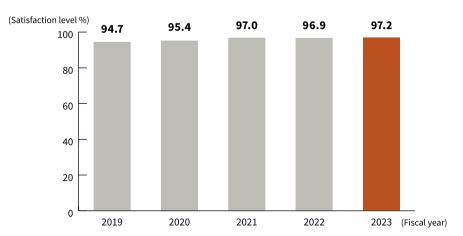
## **Customer Questionnaire**

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
<ul> <li>Actively disclose information by, for example, having senior executives continue to take part in conferences and putting more information on the IR website</li> </ul>	■ 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**

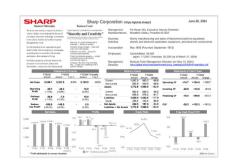
Sharp considers distributing profits to shareholders to be one of management's top priorities. It comprehensively takes into account consolidated business performance, financial situation, and future business development, while making active investments in R&D and other areas and strengthening the financial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



Investor relations website



Webpage for "Learn about Sharp"



2023 Annual Report

Annual Report 2023

Sharp at a Glance

Related information: > Investor relations

- > Annual Report
- > Learn about Sharp
- > Sharp at a Glance

# **Contributing to the Community**

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

# **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



Mr. Kanou, a mental health social worker



O&A session



A participant in the lecture

# **Contributing to the Community**

#### Voice

## Comment from a Special-Needs School Participating in Career 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 vear. 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-tounderstand talks on teamwork and what it means to work.



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

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

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 Sharp Tokusen Industry Co. 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.

# **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

# **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

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.



Posters were hung in offices



Practicing CPR