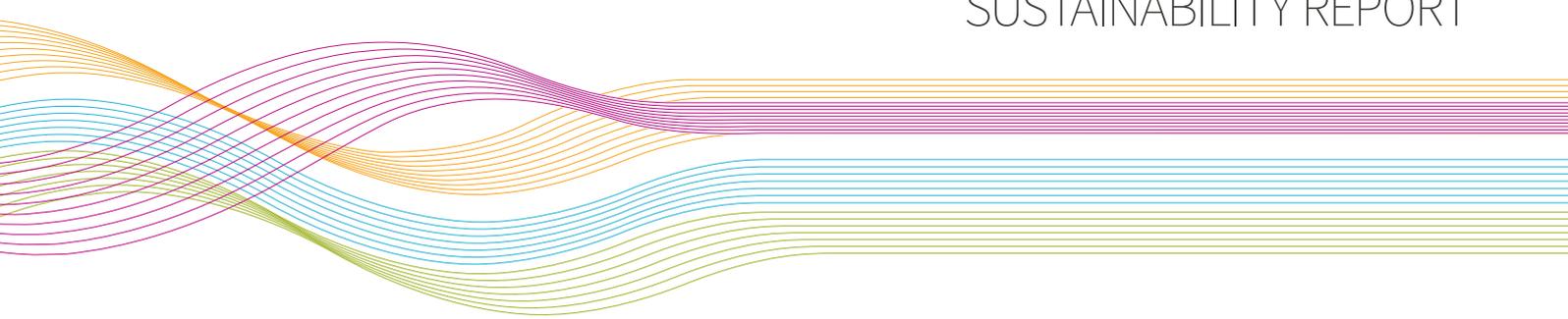


2016

SUSTAINABILITY REPORT



**SHARP**

Be Original.

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## Editorial Policy

### ◇ Policy for Information Disclosure

The Sharp Sustainability Report 2016 discloses information on Sharp's corporate social responsibility (CSR) efforts, which contribute to creating a sustainable society.

### ◇ Period Covered : Fiscal 2015 (April 2015 to March 2016)

### ◇ Coverage : Sharp Corporation, along with its domestic and overseas subsidiaries and affiliates.

### ◇ Referenced Guidelines :

- G4 Sustainability Reporting Guidelines (Japanese), Global Reporting Initiative (GRI)
- Environmental Accounting Guidelines 2012, Ministry of the Environment, Japan

### ◇ Scheduled Publication Date for Next Report : August 2017 (published annually since 1999)

## Business Philosophy and Business Creed

### Sharp Will Fulfill Its Social Responsibility, Abiding by the Core Principles of Its Business Philosophy and Business Creed

“ Make products that others want to imitate.” These words, spoken by Sharp founder Tokuji Hayakawa, exemplify Sharp’s management concept of contributing to society through its technologies and manufacturing by being the first to make products that meet the needs of a new era, and in the process, becoming a corporation that is known and trusted by society.

In 1973, Sharp articulated the unchanging spirit of its founder in the company’s business philosophy and business creed. The business philosophy states that Sharp aims for mutual prosperity with society and stakeholders—the foundation of CSR\* today—by “contributing to the culture, benefits and welfare of people throughout the world.” The business creed calls for “Sincerity and Creativity,” and all employees must hold to it and follow it in order to realize the business philosophy.

Through its business activities, Sharp has always strived to put its business philosophy into action and to contribute to the building of a sustainable society. In making a new start towards resuscitation, Sharp will once again return to the principles behind its business philosophy. By practicing sincerity of conduct and action and by calling upon its “gene of creativity” to develop new products that generate new value—all the while keeping a strong customer focus—Sharp is committed to fulfilling its social responsibility and to remaining a company that is known and trusted throughout society.

※ Corporate Social Responsibility

#### Business Philosophy

We do not seek merely to expand our business volume. Rather, we are dedicated to the use of our unique, innovative technology to contribute to the culture, benefits and welfare of people throughout the world.

It is the intention of our corporation to grow hand-in-hand with our employees, encouraging and aiding them to reach their full potential

and improve their standard of living.

Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders ...indeed, the entire Sharp family.

#### Business Creed

Sharp Corporation is dedicated to two principal ideals:

#### “Sincerity and Creativity”

By committing ourselves to these ideals, we can derive genuine satisfaction from our work, while making a meaningful contribution to society.

Sincerity is a virtue fundamental to humanity ... always be sincere.

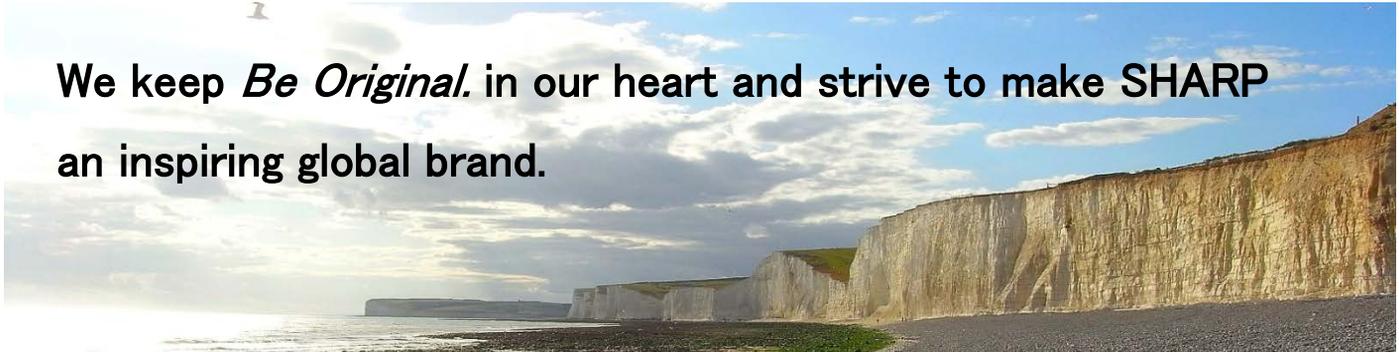
Harmony brings strength ... trust each other and work together.

Politeness is a merit ... always be courteous and respectful.

Creativity promotes progress ... remain constantly aware of the need to innovate and improve.

Courage is the basis of a rewarding life ... accept every challenge with a positive attitude.

## Top Message



**We keep *Be Original.* in our heart and strive to make SHARP an inspiring global brand.**

I'm Tai Jeng Wu, and I assumed President & Chief Executive Officer in August 2016.

My mission is to position Sharp for growth steadily with achieving a surplus and to contribute to realize a sustainable society through corporate activities with a high regard for environment and quality. I accept this responsibility solemnly and walk the talk with doing my best for recovery of trust from our stakeholders.

Our company has founder's mind for making products such as the word "Make products that others want to imitate" and business philosophy and business creed as founding splits which have been inherited for over 100 years from its establishment. At the time of starting new business management system, Sharp Corporation unveiled its new corporate motto, *Be Original.* which serves as the company's new commitment to stakeholders around the world for realizing our basic philosophy.

*Be Original.* underscores two important messages for Sharp.

Since its establishment, Sharp has always worked to develop its own originality. *Be Original.* reflects the corporate spirit that founder Tokuji Hayakawa described in Sharp's Business Creed, "Sincerity and Creativity." In addition, *Be Original.* is Sharp's promise to its global customers. Sharp is committed to be a people-oriented company that continues to bring new value to its customers. As part of this goal, Sharp will introduce unique and innovative products and services, creating ways to meet customer needs and to enable them to enjoy the convenience that technology offers.

With a renewed determination, We keep *Be Original.* in our heart and will accumulate creativity works. In addition, we will develop original products and service by exerting Sharp's wide range of technology and business with holding "One SHARP" as our watchword to contribute to customer's life and society.

We will certainly achieve recovery of performance and trust and strive to make SHARP an inspiring global brand. And We will continue to support the 10 principles of the United Nations Global Compact ※, which covers areas such as human rights, labor, the environment, and anti-corruption.

※ Joined the UN Global Compact in June 2009.

December, 2016  
President & Chief Executive Officer



## CSR Management : Policy on CSR Activities

Sharp's CSR has its roots in its Business Philosophy and Business Creed. Sharp divides its CSR activities into four large categories ( "Offering innovations through business activities", "Harmony with society and collaboration with partners", "Creation and innovation of corporate culture" and "Basic social responsibility." ) and carries out well-balanced activities in them while engaging and communicating with stakeholders in order to make Sharp the kind of company society needs that Integrated management and CSR.



## Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct

Sharp is pursuing CSR activities by having all Sharp Group companies and their directors and employees truly understand and comply with rules and regulations and practice corporate ethics. It is with this in mind that Sharp established the Sharp Group Charter of Corporate Behavior, the principles of corporate behavior of all Sharp Group companies, and the Sharp Code of Conduct, the standards of conduct for all directors and employees. The Charter of Corporate Behavior and Code of Conduct are reviewed every year to accommodate changes in the business environment, including changes in the nature of what society and stakeholders expect of companies. The revisions also reflect changes to existing laws and the enactment of new ones. The Boards of Directors of Sharp Group companies around the world passed resolutions to adopt the Charter of Corporate Behavior and Code of Conduct, and Sharp is working to thoroughly communicate their content through internal training.

Related information: >[The Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct](#)

## ISO 26000 and the United Nations Global Compact

Sharp is pursuing CSR activities by making full use of international guidelines such as the United Nations Global Compact, the OECD\* Guidelines for Multinational Enterprises, and ISO 26000.

Sharp will expand and continuously improve its CSR measures in Japan and overseas to provide effective solutions to various social problems, such as labor issues in developing countries and human rights violations in conflict-torn regions.

Related information : >[United Nations Global Compact](#)

## CSR Management : Policy on CSR Activities

### United Nations Global Compact 10 Content Index

The Global Compact's 10 Principles		Relevant Pages	published pages
<b>【Human Rights】</b> Principle 1: Businesses should support and respect of internationally proclaimed human rights; and  Principle 2: make sure that they are not complicit in abuses.		Top Message	2
		5 Material Issues③Supply Chain CSR Initiatives	9
		5 Material Issues④Respect for Human Rights and Diversity Management	10
		Fair and Impartial Procurement Activities	38~40
		Promoting CSR across the Supply Chain	39
		Initiatives for Dealing with the Conflict Minerals	40
		Efforts Related to Human Rights	45
		Developing Diversity Management	47~50
		Activities to Support Work-Life Balance	51
		Promoting Occupational Safety and Health	52~53
<b>【Labour】</b> Principle3: Businesses should uphold the freedom and the effective recognition of the right to collective bargaining;  Principle4: the elimination of all forms of forced and labour;  Principle5: the effective abolition of child labour; and  Principle6: the elimination of discrimination in and occupation.		Top Message	2
		5 Material Issues③Supply Chain CSR Initiatives	9
		5 Material Issues④Respect for Human Rights and Diversity Management	10
		Fair and Impartial Procurement Activities	38~40
		Promoting CSR across the Supply Chain	39
		Initiatives for Dealing with the Conflict Minerals	40
		Efforts Related to Human Rights	45
		Human Resource Development	47~50
		Developing Diversity Management	46
		Activities to Support Work-Life Balance	51
	Promoting Occupational Safety and Health	52~53	
<b>【Environment】</b> Principle7: Businesses should support a to environmental challenges;  Principle8: undertake initiatives to promote greater responsibility; and  Principle9: encourage the development and environmentally friendly technologies.		Top Message	2
		5 Material Issues②Increasing Green Shared	8
		Contribution to Conservation of the Global Environment (Environmental Policy / Environmental Sustainability Management / Product Development / Product Manufacture / Logistics / Disposal, Recycling /Biodiversity Protection)	19~37
<b>【Anti-Corruption】</b> Principle10: Businesses should work against forms, including extortion and bribery.		Top Message	2
		Compliance	15
		Preventing Corruption in All Forms and Dealing Properly with Donations	16
		Preventing Insider Trading	44

# CSR Management : Policy on CSR Activities

## ISO 26000 Content Index

Core Subjects	Issues	Relevant Pages	Published pages
Organizational governance	Organizational governance	Top Message	2
		Policy on CSR Activities	3~5
		CSR management : 5 material issues	7~11
		Corporate Governance	12
		Internal Control	13
		Risk Management	14
Human rights	<ol style="list-style-type: none"> <li>1. Due diligence</li> <li>2. Human rights risk situations</li> <li>3. Avoidance of complicity</li> <li>4. Resolving grievances</li> <li>5. Discrimination and vulnerable groups</li> <li>6. Civil and political rights</li> <li>7. Economic, social, and cultural rights</li> <li>8. Fundamental principles and rights at work</li> </ol>	Top Message	2
		5 Material Issues③Supply Chain CSR Initiatives	9
		5 Material Issues④Respect for Human Rights and Diversity Management	10
		Fair and Impartial Procurement Activities	38~40
		Promoting CSR across the Supply Chain	39
		Initiatives for Dealing with the Conflict Minerals Issue	40
		Efforts Related to Human Rights	45
		Human Resource Development	46
		Developing Diversity Management	47~50
		Activities to Support Work-Life Balance	51
		Promoting Occupational Safety and Health	52~53
Labor practices	<ol style="list-style-type: none"> <li>1. Employment and employment relationships</li> <li>2. Conditions of work and social protection</li> <li>3. Social dialogue</li> <li>4. Health and safety at work</li> <li>5. Human development and training in the workplace</li> </ol>	Top Message	2
		Efforts Related to Human Rights	45
		Human Resource Development	46
		Developing Diversity Management	47~50
		Activities to Support Work-Life Balance	51
		Promoting Occupational Safety and Health	52~53
The environment	<ol style="list-style-type: none"> <li>1. Prevention of pollution</li> <li>2. Sustainable resource use</li> <li>3. Climate change mitigation and adaptation</li> <li>4. Protection of the environment, biodiversity, and restoration of national habitats</li> </ol>	Top Message	2
		5 Material Issues②Increasing Green Shared Value	8
		Contribution to Conservation of the Global Environment (Environmental Policy / Environmental Sustainability Management / Product Development / Product Manufacture /Logistics / Disposal, Recycling /Biodiversity Protection)	19~37
Fair operating practices	<ol style="list-style-type: none"> <li>1. Anti-corruption</li> <li>2. Responsible political involvement</li> <li>3. Fair competition Promoting social responsibility</li> <li>4. Promoting social responsibility in the value chain</li> <li>5. Respect for property rights</li> </ol>	Top Message	2
		5 Material Issues③Supply Chain CSR Initiatives	9
		Compliance	15
		Preventing Corruption in All Forms and Dealing Properly with Donations	16
		Intellectual Property	16
		Export and Import Control	18
		Fair and Impartial Procurement Activities	38~40
		Promoting CSR across the Supply Chain	39
		Initiatives for Dealing with the Conflict Minerals Issue	40
		Preventing Insider Trading	44
Consumer issues	<ol style="list-style-type: none"> <li>1. Fair marketing, factual and unbiased information, and fair contractual practices</li> <li>2. Protecting consumers' health and safety</li> <li>3. Sustainable consumption</li> <li>4. Consumer service, support, and complaint and dispute resolution</li> <li>5. Consumer data protection and privacy</li> <li>6. Access to essential services</li> <li>7. Education and awareness</li> </ol>	5 Material Issues①Ensuring the Safety and Reliability of Products and Enhancing Customer Satisfaction	7
		Information Security Strategies	17~18
		Developing Environmentally Conscious Products	25~26
		Promoting CSR across the Supply Chain	39
		Ensuring Quality and Safety	41
		Enhancement of Customer Satisfaction	42
		Making Easier-to-Use Products	43
		5 Material Issues⑤Stakeholder Engagement	11
Community involvement and development	<ol style="list-style-type: none"> <li>1. Community involvement</li> <li>2. Education and cultureEmployment creation and skills development</li> <li>3. Employment creation and skills development</li> <li>4. Technology development and access</li> <li>5. Wealth and income creation</li> <li>6. Health</li> <li>7. Social investment</li> </ol>	Basic Concept of Social Contribution Activities	53
		Social Welfare Activities and Employee Volunteer	54
		Communicating with Local Communities	54

# CSR Management : Identifying Material Issues

## Classify Major CSR Themes

Sharp believes that CSR activities should be conducted with consideration for the effects the Sharp Group's businesses have on society; it also believes that the actual and potential effects of these activities should be managed in order to meet the expectations of stakeholders.

In fiscal 2015 Sharp has distilled its major CSR themes by analyzing every kind questionnaires, by reviewing issues commonly addressed by other companies, and by canvassing the opinions and expectations of Sharp's various stakeholders. This latter group includes those who are connected with the Sharp Group's businesses: customers, local communities, business partners, shareholders, investors, and employees. Sharp has classified its major CSR themes based on the seven core subjects of the ISO 26000 international standard; this has been done with an understanding that the themes are the Sharp Group's social responsibility and with consideration for the specific characteristics of each business and the region in which each business is deployed.



## Identifying Material Issues in CSR

The major CSR themes (classified as described above) have been reorganized into CSR material issues (materiality) based on two axes: the level of importance to society (level of expectations from stakeholders) and the level of importance to the Sharp Group.

## Incorporating into CSR Management

The identified material issues (materiality) are incorporated into the CSR management cycle in the form of KPIs set by relevant departments.

Sharp will implement and assess measures related to the material issues; it will also, when necessary, review the way in which material issues are identified, in line with changes in society. Pertinent information will be disclosed via this Sustainability Report.



## CSR Management : 5 material issues

### ① Ensuring the Safety and Reliability of Products and Enhancing Customer Satisfaction

With increased awareness of consumer issues, the Sharp Group is focused on achieving customer satisfaction (CS). As a rule, Sharp is always thinking about the customer—developing and providing products and services from the customers’ perspective. Going forward, Sharp will continue to place customers first, in the belief that it is the company’s mission to provide safe, comfortable products and services while minimizing risks, to avoid any negative impact on society.

#### Material Issue Goals of the Medium-Term CSR Strategy

Earn customer trust by ensuring product safety and reliability while enhancing customer satisfaction.

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Measures	Fiscal 2015 Achievements	Self evaluation*
Ensuring the safety and reliability of products and improving user-friendliness	<ul style="list-style-type: none"> <li>■ No serious accidents caused by a new Sharp product occurred by pervading criteria of safety Technology.</li> <li>■ Responding better to serious quality problems by appropriate measures such as conducting recall with rapidity based on risk management manual.</li> <li>■ promoting the manufacture of products that take into consideration universal design based on User-Centered Design policy.</li> </ul>	○
Increasing after-sales customer satisfaction	<ul style="list-style-type: none"> <li>■ Sharp Achieved the goal of after-sales customer satisfaction by increasing service technology and responding skills.</li> <li>■ Sharp distributed revised CS manual to service bases in Japan.</li> <li>CS mind training conducted at major ASEAN nations.</li> </ul>	○

Fiscal 2016 Measures	Management Indicators	Scope
Creating products that customers can use with peace of mind by ensuring the safety and reliability of products.	Number of serious quality problems	Japan/overseas
Increasing after-sales customer satisfaction	Results of customer satisfaction surveys	Japan/overseas

## CSR Management : 5 material issues

### ② Increasing Green Shared Value

As the world experiences population growth and economic development, the consequences of a range of social issues—such as increasing rates of energy consumption, shortages of raw minerals and water, and destruction of the natural environment—are becoming increasingly visible. Sharp's business activities have an influence on environmental issues, on both a local and a global scale. That is why Sharp is engaged in environmental protection efforts focused on three major themes: the pursuit of a low-carbon society, the recycling of resources, and harmony with nature. The objective is to have Sharp's positive impact on the environment more than balance out its negative impact on the environment, in order to fulfill its environmental policy of increasing Green Shared Value (GSV).

#### Material Issue Goals of the Medium-Term CSR Strategy

Contribute to resolving the major environmental issues involved in the pursuit of a low-carbon society, the recycling of resources, and harmony with nature

#### \*Self evaluation:

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Measures	Fiscal 2015 Achievements	Self evaluation*
<b>Pursuit of a low-carbon society</b> 1) Maintain a high level of efficiency for energy use at plants 2) Develop environmentally conscious products	1) Maintained an appropriate level of efficiency for energy use at 7 plants out of all 11 plants 2) Certified 52 products as environmentally conscious products, and achieved the objective	1) △ 2) ○
<b>Recycling of resources</b> 1) Maintain a high level of efficiency for use of resources at plants 2) Recycle used products*1	1) Maintained an appropriate level of efficiency for use of resources at 7 plants out of all 11 plants 2) Exceeded the stipulated recycling rate for the used products*1	1) △ 2) ○
<b>Harmony with nature</b> 1) Water resources 2) Maintain a high level of efficiency for use of chemicals at plants	1) Maintained an appropriate level of efficiency for energy use at 7 plants out of all 11 plants 2) Substantially exceeded the targeted improvement rate of amount of PRTR*2 chemicals released and transferred per production unit	1) △ 2) ◎

\*1 The four types of products covered by the Home Appliance Recycling Law in Japan (air conditioners, TVs, refrigerators, and washing machines)

\*2 Pollutant Release and Transfer Register. A system that mandates the collection and dissemination of information, such as the amount of harmful chemicals discharged and transferred.

Fiscal 2016 Measures	Management Indicators	Scope
<b>Actions for Factories</b> Maintain a high level of efficiency for energy use at plants	Energy-use efficiency	Japan
<b>Actions for Products</b> Develop environmentally conscious products	Number of Super Green Products (SGP)	Japan

## CSR Management : 5 material issues

### ③ Supply Chain CSR Initiatives

There is increased awareness by society and stakeholders of social issues affecting the global supply chain, such as human rights, labor standards, and environmental protection. The Sharp Group recognizes society's expectations towards Sharp regarding the contribution it should make, as a global company, to address such issues. By promoting such initiatives, Sharp will respond to circumstantial changes and strengthen its relationships of trust with clients and suppliers.

#### Material Issue Goals of the Medium-Term CSR Strategy

Obtain the trust and high estimation of external organizations, including clients, by strictly executing CSR procurement surveys at the plants of Sharp and its suppliers, CSR procurement risk assessment, and audit functions.

#### \*Self evaluation:

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Measures	Fiscal 2015 Achievements	Self evaluation*
Conducting CSR surveys and internal audits at Sharp plants, based on Sharp's revised guidebook	<ul style="list-style-type: none"> <li>■ Conducted CSR surveys of 9 Sharp plants in China and Asia region.</li> <li>Promoted internal understanding of international CSR standards</li> <li>■ Conducted internal audits at Sharp plants in Japan and China and made necessary improvements</li> </ul>	○
Conducting CSR/green procurement surveys of suppliers, based on Sharp's revised guidebook	<ul style="list-style-type: none"> <li>■ Conducted CSR/green procurement surveys of suppliers at Sharp plants in Japan and overseas and achieved the target of supplier response rate</li> </ul>	○
Conducting on-site CSR audits to build up the capabilities of plants identified as critical	<ul style="list-style-type: none"> <li>■ Conducted on-site CSR audits 4 plants in Japan and overseas.</li> <li>■ Reduced the number of findings pointed out during client companies' CSR audits by approximately half</li> </ul>	○

Fiscal 2016 Measures	Management Indicators	Scope
Expanding and establishing CSR surveys at Sharp plants	Number of audited plants	All domestic production bases and all production sites of consolidated subsidiaries in Japan and abroad
Conducting and establishing CSR/green procurement surveys of suppliers,	Percentage of suppliers who completed the CSR/green procurement surveys	Primary suppliers
Responding to CSR Requests from Clients	Number of findings pointed out during client companies' CSR audits conducted by client companies	Plants identified as critical

## CSR Management : 5 material issues

### ④ Respect for Human Rights and Diversity Management

The increased globalization of business has greatly expanded the number of opportunities for employees from different cultures and customs to work together. Accordingly, companies are required to pay attention to a more diverse and complex range of human rights issues. In the Sharp Group, strategic diversity management is an important task since it deems as crucial the active promotion and retention of capable personnel, regardless of such factors as nationality, gender, or age.

#### Material Issue Goals of the Medium-Term CSR Strategy

Provide more innovative, value-added products and services by enhancing the capabilities and motivation of employees and invigorate organizations through diversity promotion

#### \*Self evaluation:

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Measures	Fiscal 2015 Achievements	Self evaluation ※
Enhance measures to increase the rate of female managers to 5%	<ul style="list-style-type: none"> <li>■ Rate of female managers 2.6% as of April 1, 2016 (up from 2.5% as of April 2015)</li> <li>■ New female recruits in fiscal 2016 at a rate of 58% for business (clerical) work and 15% for technical work</li> </ul>	○
Maintain the employment rate (2.3%) of the physically or mentally challenged	<ul style="list-style-type: none"> <li>■ The employment rate of the physically or mentally challenged: 2.39% (maintained at 2.3%)</li> </ul>	○
Prevent power harassment	<ul style="list-style-type: none"> <li>■ Satisfaction rating with workplace and supervisors of Management index In company: increased 0.04PT over the previous year's</li> </ul>	○

Fiscal 2016 Measures	Management Indicators	Scope
Promote measures based on action plan of the law to promote the active engagement of women in society	More than 5 % of female ratio of the manager 【by end of fiscal 2019】	Sharp Corporation
Maintain the employment rate of the physically or mentally challenged	Maintain the employment rate (2.3%) of the physically or mentally challenged	Sharp Corporation, Sharp Tokusen Industry Co., and several affiliated companies ※1 in Japan
Prevent power harassment	Improvement of employee satisfaction with workplace and supervisors ※2 indicated in surveys	Employees of the Sharp Group in Japan and on temporary transfer to overseas bases

※1 Target scope defined by the public sector

※2 Workplace-satisfaction surveys of all employees

## CSR Management : 5 material issues

### ⑤ Stakeholder Engagement (Local social contribution activities)

To achieve sustainable development of Sharp Group's business activities and number of regions in which it conducts business Sharp promotes activities are aware of "Community involvement and development"※1 in specific .Sharp will create value by adopting feasible methods to reflect the results of its stakeholder engagement activities with local communities in its business activities to contribute to the sustainable development of society.

※1 One of the Seven Core Subjects of ISO26000

#### Material Issue Goals of the Medium-Term CSR Strategy

By properly holding communications with local communities, Sharp will establish good relationships as a people-friendly company. Furthermore, Sharp will enhance the creation of value by reflecting feedback from such activities in its business activities.

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Measures	Fiscal 2015 Achievements	Self evaluation*
Holding dialogues with local communities	■ Systems established and promoted for holding dialogue with local communities	○
Participating in local social contribution activities as the Sharp Group	■ Number of social contribution activities (SGC※2 activities etc)maintained and promoted new activities	○

Fiscal 2016Measures	Management Indicators	Scope
Participating continually in local social contribution activities as the Sharp Group	■ Number of social contribution activities maintained and trial attempts for new activities introduced	Sharp Group in Japan

※2 A volunteer organization composed of Sharp and its labor union which conducts forest-preservation and clean-up activity.

# Management : Corporate Governance

## Sharp Will Fulfill Its Social Responsibility, Abiding by the Core Principles of Its Business Philosophy and Business Creed

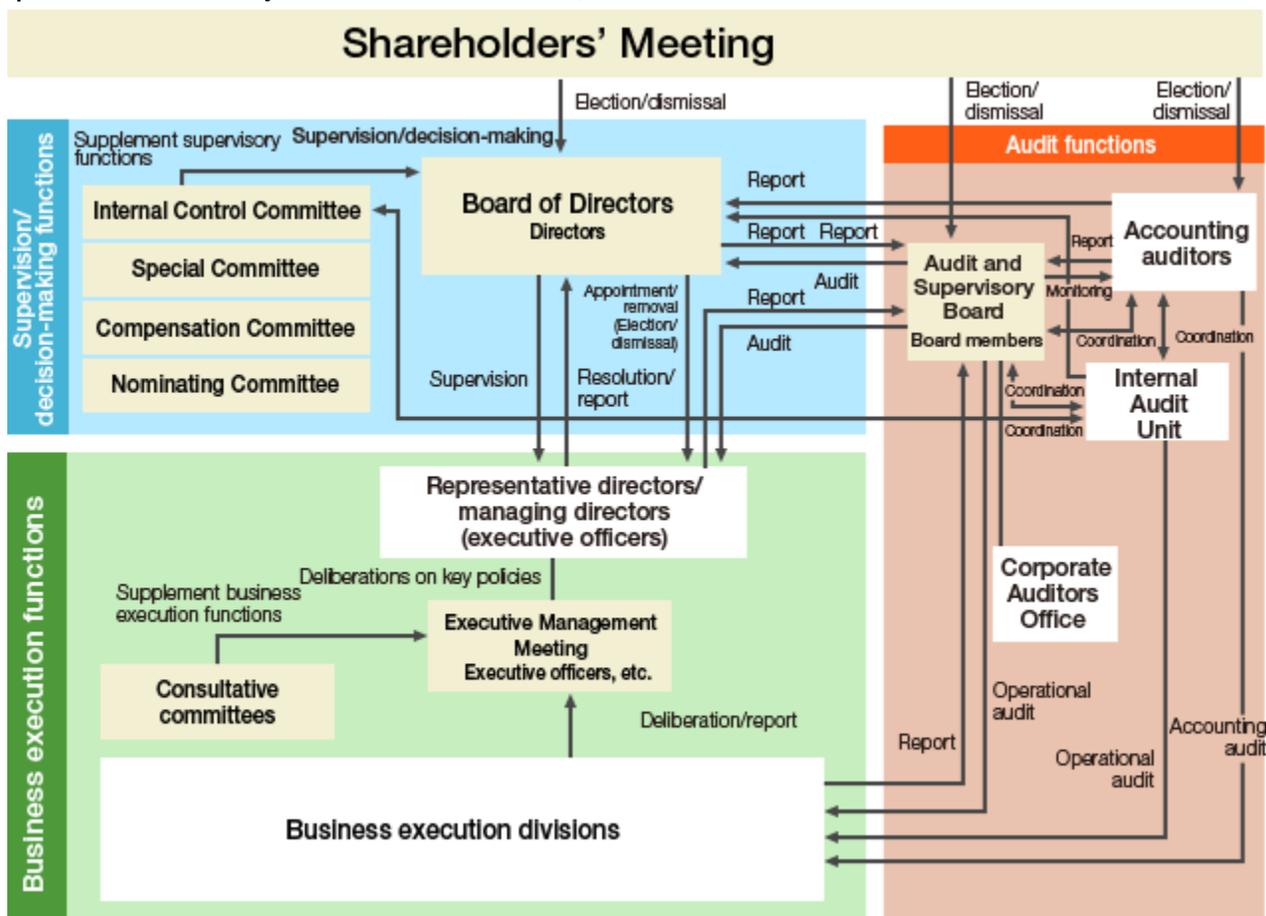
**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>Introduce in-house company system to strengthen corporate control and establishing autonomy of each company, thereby achieving speedy and disciplined management</li> </ul>	<ul style="list-style-type: none"> <li>Introduced in-house company system in October 2015 and shifted resources (including human resources) and authority to each company with enhancing collaboration with headquarters about important decision-making.</li> </ul>	○
<p><b>Priority Objectives for Fiscal 2016</b></p>	<ul style="list-style-type: none"> <li>Reorganize each company and business division into segmentalized Business Unit (BU) to conduct detailed business operation that match market and business environment of each BU.</li> </ul>	
<p><b>Medium-Term Objectives (up to Fiscal 2017)</b></p>	<ul style="list-style-type: none"> <li>Shift resources further; strengthen management liability system for BU by advancing business management</li> <li>Transform organization into one that is more focused in terms of business characteristics, so that it can respond better to changes</li> </ul>	

Sharp’s basic policy on corporate governance is to maximize corporate value through timely and appropriate management while ensuring transparency, objectivity, and soundness supported by the concept, “Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders...” as stated in the company’s Business Philosophy.

**Corporate Governance System** (as of June 23, 2016)



## Management : Internal Control

### Internal Control

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>■ Put into practice various policies related to internal control system, based on Basic Policy for Internal Control (revised in line with Japan's amended Companies Act); complete those policies as initially scheduled</li> <li>■ Mount intensive efforts to resolve important items (problem items) in each internal control area, and submit Internal Control System Report in June 2016</li> </ul>	<ul style="list-style-type: none"> <li>■ Completed various policies related to internal control system as initially scheduled</li> <li>■ Reviewed policies, mounted intensive efforts to resolve important items (problem items), and submitted Internal Control System Report (information disclosure) (June 2016)</li> </ul>	○
<b>Priority Objectives for Fiscal 2016</b>	<ul style="list-style-type: none"> <li>■ Put into practice and maintenance exhaustively various policies related to internal control system, based on Basic Policy for Internal Control; complete those policies as initially scheduled</li> <li>■ Mount intensive efforts to resolve important items (problem items) in each internal control area, and submit Internal Control System Report in June 2017</li> </ul>	

As one way to ensure that its corporate governance is functioning effectively, Sharp is developing and maintaining its internal control system to ensure that the entire Sharp Group engages in fair and appropriate business practices based on the provisions of Japan's Companies Act and of the Internal Control Reporting System falling under the Financial Instruments and Exchange Act.

In response to the enactment of the Companies Act in 2006, the Board of Directors passed a resolution to adopt a basic policy related to the development and maintenance of systems necessary to ensure the propriety of business practices (Basic Policy for Internal Control). The company is working to properly maintain and operate those systems. In accordance with this policy, Sharp also established the Internal Control Committee to serve as an advisory panel to complement the supervisory functions of the Board of Directors. The Internal Control Committee discusses various policy measures related to the internal control system, while also affirming their operational status.

In line with the amendment of the Companies Act in 2015, Sharp revised its Basic Policy for Internal Control. In accordance with the revisions Sharp selected policies to be strengthened and mount intensive efforts.

For fiscal 2016, Sharp will review how carry about various policies so that can affirm their operational and maintenance status exhaustively affirming their operational status.

At the same time, in response to the Financial Instruments and Exchange Act, the Sharp Group has been evaluating the effectiveness of its internal control system with respect to financial reporting. It has also taken steps to reduce various business risks through the sound operation of its internal control system.

In fiscal 2015, Sharp implemented various measures to boost the control functions of each internal control area as well as the efficiency with which internal control system effectiveness is evaluated. Sharp also mounted intensive efforts to resolve critically important items and submitted an Internal Control System Report in June 2016.

For fiscal 2016, Sharp will specify and focus important items for each organization to boost the control functions of each internal control area.

# Management : Risk Management

## Risk Management

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>■ Ongoing review of priority risks and implementation of risk management based on PDCA cycle</li> <li>○ Strengthen information management</li> <li>○ Strengthen risk management for overseas subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>■ Reviewed priority risks and implemented risk management based on PDCA cycle .</li> <li>○ Strengthened information management</li> <li>○ Strengthened risk management for overseas subsidiaries</li> </ul>	○
<p style="text-align: center;">Priority Objectives for Fiscal 2016</p>	<ul style="list-style-type: none"> <li>■ Review concept of designating risks and PDCA cycle of the risk management</li> </ul>	

## Management Based on the Rules of Business Risk Management

Sharp believes risk management is essential in order to fulfill its corporate social responsibility, which entails meeting the expectations of stakeholders through the sustainable development of business. Sharp has developed the Rules of Business Risk Management as a basic policy of risk management and in the Rules, risk items that could have a major impact on management are identified as "specific risks." For each specific risk, Sharp is continuously moving forward with initiatives to minimize risks and to prevent risks from actually occurring while collaborating a functional business division to be responsible for risk management across the entire company and company or business division to be responsible for operating its business area.

In addition, Sharp has established the Rules of Emergency Response, detailing responses if a major risk incident does come to pass. Taking prompt and appropriate action when an emergency situation occurs works to minimize loss and to prevent the damage from spreading not only across the company, but also to society at large. Sharp periodically reviews and revises these Rules to reflect changes in the business environment by, for example, adding new specific risks.

## Management Methods for Important Risks

From among the risks that Sharp has designated as specific, those that have a greater potential impact and a higher probability of occurrence are selected as "priority risks," and they become the subject of intense focus in the risk management activities of functional division ,company and each business unit.

For fiscal 2016, Sharp will review concept of designating risks and PDCA cycle of the risk management to foster usefulness of risk management.

## Promoting BCPs ※

Sharp's major business sites and group companies have formulated BCPs (business continuity plans) that assume the occurrence of emergency situations, such as a large-scale disaster or an outbreak of an infectious disease. This effort is intended to expedite the continuation or early recovery of business when such emergencies occur. By regularly reviewing BCPs and holding training sessions, Sharp works to maintain and improve the business continuity capacity of the organization.

In fiscal 2015 Sharp construct a framework that can review BCPs regularly.

※ Business Continuity Plan

## Management : Compliance

### Compliance

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
■ Conduct compliance training	■ Conducted training on antitrust laws (as well as other laws and regulations) and on compliance for newly appointed managers	○
Priority Objectives for Fiscal 2016	■ Conduct compliance training	

### Strengthening the System to Promote Compliance

Sharp defines compliance as “observing social codes of conduct and company regulations, including laws and corporate ethics.” Accordingly, Sharp is pursuing the ongoing strengthening of systems for the implementation of management practices that give priority to compliance. To strengthen compliance and legal systems in Japan, the Legal Unit at the Head Office, with legal affairs managers and staff members from company, business units and affiliated companies of Sharp Corporation in Japan, discuss problems and case studies related to compliance and legal affairs by holding regular meetings as part of an ongoing effort to establish a shared awareness of compliance issues.

To strengthen its compliance and legal systems overseas, the legal affairs administrators work in cooperation with every base in the region and hold regular meeting with Sharp’s Legal Unit at the Head Office in order to share information and strengthen compliance and legal functions in their given region.

In support of these efforts to promote compliance in all regions of Japan and abroad, the CSR/Compliance Committee, chaired by the Sharp president, regularly carries out the following activities: 1) it discusses and decides how to raise awareness of compliance measures and how to thoroughly enforce them; and 2) it prioritizes the order of implementation for each measure and adjusts the schedule accordingly.

In fiscal 2016, Sharp will continue to work to improve and strengthen its system for dealing with compliance and legal affairs.

### Consultation Hotline for Compliance Issues

Sharp Corporation and its affiliated companies in Japan have set up the hotline to provide counseling services for problems in the workplace, such as compliance issues. The company has also set up the antitrust law hotline, which serves as a contact point specifically for issues related to antitrust laws. These hotlines are accessible inside the company and externally (via an outside law firm providing legal counsel) to enable employees and temporary staff—as well as employees of business partners\*—to ask questions or request a consultation in line with the spirit of Japan’s Whistleblower Protection Act.

Sharp also has a consultation service dedicated to addressing workplace harassment (which includes sexual harassment, pregnancy discrimination, and abuse of authority). These services enable Sharp to work with employees to quickly catch real or potential violations of the law and take early action to resolve problems. In fiscal 2015, the compliance hotline received about 50 reports and requests for consultation; however, there were no material compliance violations.

The Sharp Code of Conduct clearly stipulates that the privacy of individuals who report compliance violations or seek consultation will be strictly protected and that those persons will suffer no unfavorable treatment or penalties. Similar reporting and consultation services have been set up at Sharp’s major overseas bases, and early actions are being taken to resolve problems.

\*Only the compliance hotline is available for use by employees of business partners.

## Management : Compliance Protecting Intellectual Property

### Preventing Corruption in All Forms and Dealing Properly with Donations

The Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct contain provisions that strictly prohibit any form of corrupt behavior, such as extortion or direct or indirect bribes of money or goods.

The Group Charter and Code of Conduct also stipulate that donations must be handled in a proper manner.

In March 2015, Sharp instituted rules of conduct governing both executives and employees, with a view to preventing corrupt practices such as bribery. By setting up a clear system of checks, the company is working to prevent acts of bribery. In addition, the company has produced guidebooks and training materials and has also conducted training sessions.

In Japan, Sharp prevents illegal payoffs and improper expenditures through a system of compulsory reviews.

In place since December 2008, this system serves to assess the propriety of monetary disbursements such as donations and contributions made by Sharp Corporation and its affiliated companies.

In March 2014, Sharp further tightened the assessment criteria to ensure fairer reviews. In fiscal 2015, there were 67 cases of such reviews.

## Intellectual Property

### Intellectual Property Strategy and Management System

Sharp regards its intellectual property strategy as one of its corporate strategies, and it is promoting it together with its business strategy and R&D strategy. By defining core technology areas with respect to each business, Sharp is strategically filing patent applications that are tightly coupled with its business development.

This ensures the company's superiority in each business area and strengthens its business base.

As of the end of March 2016, Sharp held about 17,700 Japanese patents and about 22,200 foreign patents.

In addition, Sharp is filing applications and registering rights for designs and trademarks globally under its brand strategy.

### Protecting Intellectual Property

Sharp is firmly committed to protecting its own intellectual property rights, which form the basis of its business activities, while also respecting the intellectual property rights of others. While Sharp takes an amicable approach to resolving issues of infringement, it is the company's policy to seek the judgment of a third party, such as the courts, when its intellectual property rights are not respected.

## Management : Information Security Strategies

### Information Security Strategies

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>■ Have departments that handle personal information obtain ISO 27001, an international standard for information security management systems</li> <li>■ Centralize and unify management of publicly accessible websites (ongoing)</li> <li>■ Promote security measures to prevent information leakage from MFPs</li> </ul>	<ul style="list-style-type: none"> <li>■ Obtained ISO27001 as scheduled.</li> <li>■ Obtained usage authority of new top domains for Centralize and unify management</li> <li>■ Self-checks are conducted to prevent information leakage from MFPs</li> </ul>	○
<b>Priority Objectives for Fiscal 2016</b>	<ul style="list-style-type: none"> <li>■ Correspond to screening to maintain ISO27001</li> <li>■ Promote security measures to prevent information leakage from MFPs at overseas Bases</li> <li>■ Reconstruct Internal Regulations according to revision of law protecting personal</li> </ul>	
<b>Medium-Term Objectives (up to Fiscal 2017)</b>	<ul style="list-style-type: none"> <li>■ Realize unified and effective information management operations that lead to the effective utilization of information</li> <li>■ Integrate all publicly accessible websites to a unified environment and strengthen the management of them</li> <li>■ Establish mind of information security can be put in practice in daily duties by instilling ISMS Management Cycle throughout the company.</li> </ul>	

## Strengthening of Information Management Systems

Sharp positioned measures about information management as one of management strategy and created a department promoting information management from a company-wide perspective was under the Management Planning Chief Officer. Based on its Global Basic Policy on Information Security, The department is appropriately managing and handling confidential and personal information while also promoting information security measures. In addition, Sharp is carrying out measures to unify and streamline information management operations.

### Information Security Measures

In Japan, e-learning sessions on information security are provided annually to all employees. In fiscal 2015 as a measure against targeted cyber-attacks Sharp conducted drills for all employees who use e-mail for work to study importance of being careful in duty works with teaching cases occurred external. In addition, annual information security self-checks are conducted .

Sharp continually strengthen early detection of unauthorized behavior by protecting unauthorized intrusion and log analysis for vulnerability test for publicly accessible websites enhanced ever before and information leakage caused by targeted cyber-attacks and incorrect access in order to contribute to conduct business in safety.

## Management : Information Security Strategies Export and Import Control

### Management of Personal Information

More strict management of personal information is required due to leaks of personal information at third parties such as public institution. Sharp enhanced prevention of such leaks to departments dealing with a large amount of personal information, including without limitation, by applying more strict management rules. In addition Sharp conducts to all employees in Japan annual e-learning sessions that cover the protection of personal information and also performs self-checks on the management conditions and audits at departments holding personal information.

### Export and Import Control

#### Security Export Control

North Korean missiles and nuclear threat, terrorist attacks in various regions by groups like the so-called Islamic State, and other such issues have put global security in an unpredictable state—necessitating the implementation of even stricter export security control. In Japan, Sharp has been among the first in the industry to remain steadily engaged in security export control ever since the days of the Cold War, when COCOM regulations were in effect.

In the past, it was obvious which cutting-edge technologies should be put under control; but today, with the advance of technology, there is an increasing number of cases of consumer-use technologies and products being diverted for use in a military or weaponry context. Each Sharp Group company, including domestic and overseas subsidiaries, has a system in place for secure export control based on the Sharp Code of Conduct and Sharp Compliance Program on Security Export Control. Through this system, Sharp strictly monitors goods and technologies that fall under local export control regulations, while rigorously screening the destination and the end use of Sharp products and technologies to ensure that they will not be used in a military or weaponry context.

In addition to observing the Foreign Exchange Act, companies must comply with the Export Administration Regulations of the United States on re-exporting US-origin products. These regulations are also applicable in countries outside of the US, and Sharp is working to comply with these regulations. The key to Sharp's stringent security export control is education; Sharp has various training programs that foster employee awareness of security export control.

It provides e-learning sessions to all employees.

#### Trade Control

In case of import and export, it's desired to do the proper management complying with the Customs Act / Customs Tariff Act. It's the situation that proper management in logistics such as prevention of illegal import and export of a weapon by an international terrorism group and the border control of the medicine pollution which becomes social problem is strong and desired about safety of freight of import and export.

Sharp possess qualification of AEO ※ exporter status and conform to a decree and execute necessary management in each process of the export, such as physical distribution, security management and procedure management into effect strictly for appropriate export. In addition Sharp strengthens the internal administrative structure on various import and export such as courier/mail services and hand carry by travelers on their business trip, besides the authorized exports, also continues reviewing and revising its present internal rules and applications, making database of a record of import and export and conducting internal training. Through these measures, Sharp establishes its structure to comply with the relevant laws and regulations on import and export. Sharp will continue executing proper trade management into effect with future

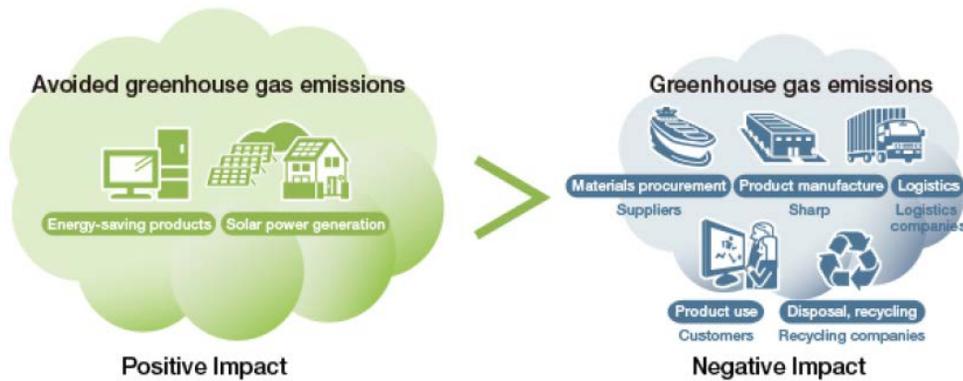
※ Authorized Economic Operator

# Environmental Activity : Environmental Policy

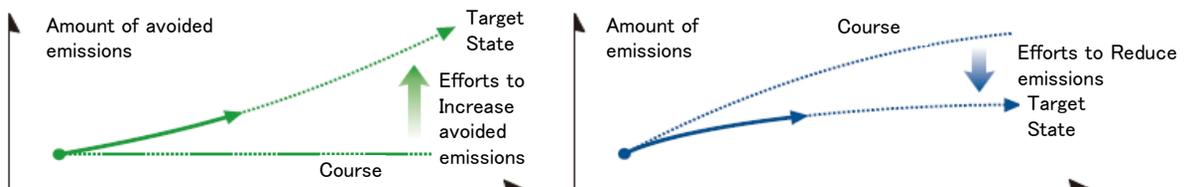
## Increasing Green Shared Value

Sharp places the fulfillment of society’s needs regarding environmental matters in close alignment with its strategy for business growth, with a view to achieving success in both areas. Sharp defines the value thus created as “Green Shared Value” and it has established an environmental policy of increasing this value. In an effort to foster a low-carbon society—a key environmental goal for all—Sharp is controlling its greenhouse gas (GHG) emissions in conformity with the GHG Protocol Corporate Value Chain (Scope 3) Standard. This covers emissions not only in product manufacture, where reduction of GHG emissions is required by law, but also throughout the entire supply chain, from materials procurement to product use. With a view to increasing Green Shared Value, Sharp is furthering its environmental initiatives by striving always to make the positive impact of its avoidance of GHG emissions—achieved through customer use of energy-creating and energy-saving Sharp products—more than balance out the negative impact of GHG emissions from its business activities. More Concretely, Sharp is promoting green procurement, saving energy, reduction of waste, paperless at the office, reuse and recycling, etc continuously and proactively.

### Efforts Aimed at Increasing Green Shared Value



□ Concept of increase of avoided GHG emissions and reducing GHG emissions



## Achievements for Fiscal 2015

In fiscal 2015, Sharp’s positive impact (i.e., avoided GHG emissions) was equivalent to 28million tons CO<sub>2</sub> , meanwhile, the company’s negative impact (i.e., GHG emissions) was 25 million tons CO<sub>2</sub>. As a result, the GSV index (the ratio of positive impact to negative impact) became 1.1 (i.e., 28million tons CO<sub>2</sub> divided by 25million tons CO<sub>2</sub>), and Sharp maintained the situation where its positive impact of its avoidance of GHG emissions are more than balancing out the negative impact of GHG emissions from its business activities.

For fiscal 2016 and on, Sharp will aim to increase Green Shared Value by developing and proliferating further energy-creating and energy-saving products, and promoting efficient energy use through its business activities.

## Environmental Activity : Environmental Sustainability Management

### Putting Environmental Sustainability Management into Practice

In accordance with internal environmental conservation guidelines established in line with Sharp's Basic Environmental Philosophy, the Sharp Group Charter of Corporate Behavior, and the Sharp Code of Conduct, Sharp is pursuing environmental consciousness across all of its business activities.

## Promoting Environmental Sustainability Management

Sharp Corporation has set up the Quality and Environmental Promotion Group as an organization to decide on and promote environmental policies and other important items for the entire Sharp Group. Critical policies, strategies, and measures relating to environmental sustainability management are referred to the Group-Wide Conference. With the approval of corporate executives, these initiatives are thoroughly implemented across the entire Sharp Group through the basic environmental policy meeting, at which the managers responsible for environmental affairs at each manufacturing-related department and base worldwide are thoroughly briefed on priority measures and strategies. Sharp also holds the company-wide environmental Product and Factory conferences for responsible persons in Japan as well as regional environmental conferences overseas to review and discuss environmental solutions and the progress made on each of the environmental measures being taken at each department and base. In this way, Sharp has a system in place to put environmental sustainability management into practice across its entire organization.

#### Basic Environmental Philosophy

**Creating an Environmentally Conscious Company with Sincerity and Creativity**

#### The Sharp Group Charter of Corporate Behavior

##### Contribution to Conservation of the Global Environment

The Sharp Group will make efforts to further contribute to global environmental conservation by strengthening our development of proprietary technologies for protecting the global environment, and by carrying out business activities in an environmentally conscious manner.

#### The Sharp Code of Conduct

##### Contribution to Conservation of the Global Environment

1. To Conserve the Environment
2. To Develop Environmentally Conscious Products and Services, and Conduct Our Business Operations in an Environmentally Conscious Manner

## Promoting an Environmental Management System

Sharp has been operating an environmental management system (based on ISO 14001) at its plants and offices since 1995 in order to strengthen environmental sustainability management and improve the environmental awareness of employees.

With the view of ISO14001's 2015 revision, the company is exchanging the information among plants and offices. Toward establishing more effective management system which matches to the particular needs of each plant and office, Sharp will shift the present system to the 2015 version in an efficient way.

## Promoting Environmental Education

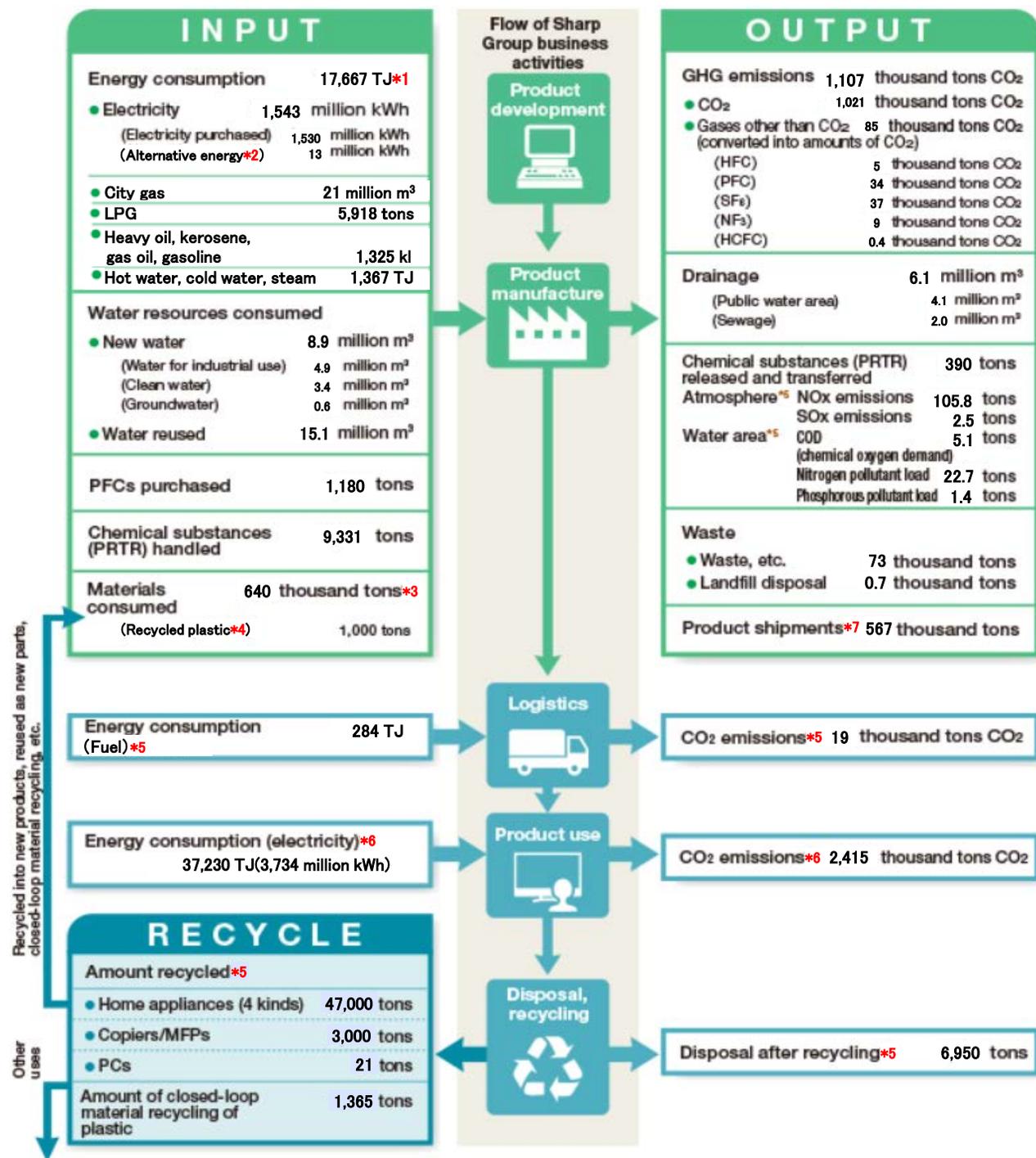
Sharp conducts basic environmental training for its employees, and it boosts employee awareness and knowledge of environmental matters on an ongoing basis. Sharp also has education programs including environmental compliance training to deepen the understanding of product-related laws and regulations, and design-for-recycling training to develop products that are recycle-friendly.

For fiscal 2016 and beyond, Sharp will renew its environmental education scheme and promote the programs better reflect the needs of persons in charge of environmental affairs.

# Environmental Activity : Environmental Sustainability Management

## Material Balance

Sharp uses numerical values to gain an overview of the burden its business activities place on the environment and uses these values to promote environmental sustainability management. By making use of these current values at all stages of business activities to create proposals for policy measures and to analyze and evaluate the results, Sharp is aiming to effectively reduce the impact it has on the environment.



\*1 TJ (terajoule) = 10<sup>12</sup> Joules \*2 Amount of solar power generated; amount of green power certificates purchased.

\*3 Total weight of product shipments and waste, etc.

\*4 Amount recycled through closed-loop plastic material recycling technology. \*5 In Japan.

\*6 Annual energy used and amount of CO<sub>2</sub> emitted by products in the 13 major categories sold in fiscal 2015 (estimate).

\*7 Total weight of products in the 13 major categories sold in fiscal 2015 and packaging materials used (estimate).

## Environmental Activity : Environmental Sustainability Management

### Greenhouse Gas Emissions Based on the GHG Protocol Initiative

Sharp calculates greenhouse gas emissions based on the GHG Protocol\*1 and then works to limit those emissions resulting from customer use of Sharp products and from Sharp's business activities, including those in the supply chain. The results for fiscal 2015 are as follows.

\*1 The GHG Protocol is an international standard for calculating greenhouse gas (GHG) emissions. It was jointly established by the World Business Council for Sustainable Development (WBCSD), a coalition of the world's leading companies, and the World Resources Institute (WRI), a United States-based think tank.

#### ■ Greenhouse Gas Emissions by Scope 1/2/3 Categories Based on the GHG Protocol Initiative (Fiscal 2015)

Scope	Emissions	Notes
	(thousand tons CO <sub>2</sub> )	
Scope 1 (direct GHG emissions from business activities)	153	Emissions from combustion of fuel, etc.
Scope 2 (indirect GHG emissions from energy usage in business activities)	954	Emissions from the use of electricity
Scope 3 (indirect GHG emissions from areas outside the scope of business activities)	27,632	Calculated for 10 categories such as Procurement, Shipping & Distribution, Product Usage, and Employee Commuting & Business Trips

#### ■ Greenhouse Gas Emissions by Scope 3 Category(Fiscal 2015)

Classification	Category	Emissions	Notes
		(thousand tons CO <sub>2</sub> )	
Upstream	Purchased goods and services	3,000	CO <sub>2</sub> emissions from the manufacture of materials procured for main products*2 that the Sharp Group sold in the relevant year
	Fuel- and energy-related activities not included in scope 1 or 2	100	CO <sub>2</sub> emissions from transmission losses of electricity purchased by the Sharp Group
	Upstream transportation and distribution	30	CO <sub>2</sub> emissions from transportation and distribution of materials procured by the Sharp Group
Sharp	Business travel	10	CO <sub>2</sub> emissions from business travel by all employees of Sharp Corporation
	Employee commuting	10	CO <sub>2</sub> emissions from commuting by all employees of Sharp Corporation
	Leased assets	–	Included in scope 1 and 2 CO <sub>2</sub> emissions
Downstream	Processing of sold products	300	CO <sub>2</sub> emissions from processing at destination of Sharp Group products
	Downstream transportation and distribution	230	CO <sub>2</sub> emissions from transportation and distribution of products manufactured by the Sharp Group
	Use of sold products	23,950	CO <sub>2</sub> emissions in the relevant year from the use of main products*9 that the Sharp Group sold in the relevant year
	End-of-life treatment of sold products	2	CO <sub>2</sub> emissions from recycling 4 types of appliances*3 that Sharp Corporation sold in Japan
Total		27,632	

\*2 13 product categories: LCD TVs, air conditioners, refrigerators, washing machines, air purifiers, microwave ovens, LED lights, Blu-ray Disc recorders, facsimiles, mobile phones, LCD monitors, copiers/MFPs, solar cells

\*3 TVs(CRT TVs, flat-panel TVs), air conditioners, refrigerators/freezers, washing machines/dryers

## Environmental Activity : Environmental Sustainability Management

### Environmental Accounting

Sharp introduced environmental accounting in fiscal 1999 to provide a quantitative assessment of the costs and benefits of its environmental conservation activities and is applying the results to environmental sustainability management.

### Environmental Conservation Costs

In fiscal 2015, Sharp's environmental conservation investment was approximately 4.4 billion yen, and environmental conservation expenditures were approximately 25.7 billion yen. Costs associated with "Planning and Design (research and development)" made up a large percentage of these figures.

### Economic Benefits

Owing to the restriction of new investment and aging of the existing facilities, both the energy-saving effects of "Reduce GHG emissions (global environmental conservation and the effects of "Minimize and recycle waste (recycle resources)" decreased due to the lessened use of recycled water and the shrunk recycling of waste into valuable resources." As a result, the actual benefit declined to approximately 2 billion yen.

### Explanation of Terminology

#### <Environmental Conservation Costs>

Overhead costs, personnel expenses, and investment associated with environmental conservation activities, in addition to attendant depreciation.

#### < Economic Benefits >

Contributions to society and to the company that result from environmental conservation activities, expressed in monetary units (economic effects that can be assessed directly in monetary terms, such as cost savings from energy-saving efforts and use of recycled water, as well as profits from the sale of valuable resources).

### Sites Covered

Sharp Corporation factories (Kameyama, Mie, Tenri, Fukuyama, Mihara, Katsuragi, Sakai, Tochigi, Nara, Yao, and Hiroshima), offices(Head Office,Tanabe \*),Sharp Manufacturing Systems Corporation, Sharp Yonago Corporation, and Sharp Mie Corporation

\* As of March 31, 2016

### Period Covered

April 1, 2015 to March 31, 2016

### Referenced Guidelines

Environmental Accounting Guidelines 2005 published by the Ministry of the Environment, Japan

## Environmental Activity : Environmental Sustainability Management

## Environmental Accounting

Classification of Environmental Conservation Activities ( ): Category based on Environmental Accounting Guidelines, Ministry of the Environment		Environmental Conservation Costs (Unit: ¥ million)		Economic Benefits (Unit: ¥ million)	Environmental Conservation Effects		
	Description of Major Activities	Investment	Expenses	Actual Benefit	Physical Effects		
Environmental Sustainability Management (management activities/ social responsibility)	<ul style="list-style-type: none"> <li>Operation of environmental management system</li> <li>Environmental education</li> <li>Expand social contribution activities</li> <li>Information disclosure</li> </ul>	27	2,085	—	Promote environmental sustainability management		
					Number of employees with environmental education	43	
					Environmental social contributions		
					Number of employees who attended SGC activities	19,616	
					Number of schools where environmental/craftsmanship education was provided	37	
Planning and Design (research and development)	<ul style="list-style-type: none"> <li>R&amp;D on solar power systems</li> <li>Promote closed-loop recycling of plastic materials</li> <li>R&amp;D on basic environmental technologies</li> </ul>	4,317	13,452	—	Supply environmentally conscious products		
					Number of new Super Green products	52 models	
					CO <sub>2</sub> emissions reduced by solar power systems *3	11,493 thousand tons CO <sub>2</sub>	
					CO <sub>2</sub> emissions reduced by energy-saving products *4	16,782 thousand tons CO <sub>2</sub>	
Manufacturing	Reduce GHG emissions (global environmental conservation)	85	2,159	749 *2	GHG emissions reduced by controlling electricity and fuel consumption		
					CO <sub>2</sub> emissions reduced	28 thousand tons CO <sub>2</sub>	
						PFCs emissions reduced	1 thousand t-CO <sub>2</sub>
	Minimize and recycle waste (recycle resources)	<ul style="list-style-type: none"> <li>Reduce waste discharge and recycle waste into valuable resources</li> <li>Recycle water</li> </ul>	0	4,791	1,266	Waste recycled or sent for appropriate disposal	
						Waste recycled	53 thousand tons
					Recycled and reused water	14,871 thousand m <sup>3</sup>	
Prevent pollution (prevent pollution)	<ul style="list-style-type: none"> <li>Install scrubbers</li> <li>Introduce exhaust gas treatment systems</li> </ul>	20	3,193	—	Observe environmental laws and regulations Prevent air/water pollution and noise/vibration Promote risk management Chemical substances properly managed and their discharge reduced Reduce risk of soil contamination		
Recycling/ Logistics (upstream/downstream)	<ul style="list-style-type: none"> <li>Collect used products</li> <li>Promote proper recycling of used products</li> </ul>	0	52	—	Collection, recycling, and proper disposal of used products		
					Used PCs recycled	21 tons	
					Used copiers/MFPs recycled	3 thousand tons	
					Used home appliances (4 categories) recycled	47 thousand tons	
					Environmental burden during distribution reduced		
					Rate of modal shift	23.2 %	
					Percentage of low-pollution vehicles	99.8 %	
Total		4,449	25,732	2,015			

\* 1 HFCs, PFCs, sulfur hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>), HCFCs

\* 2 Total effects of measures pertaining to the use of equipment that is depreciating.

\* 3 Amount reduced by solar power systems sold in fiscal 2015, assuming that they will be in operation for the next 20 years.

\* 4 Amount reduced by products in the four major categories (LCD TVs, air conditioners, refrigerators, copiers/MFPs) sold in fiscal 2015, assuming that they will be used for the next 10 years.

# Environmental Activity : Product Development

## Developing Environmentally Conscious Products and Devices

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
■ Super Green Products (Japan): Certify 50 products	■ Certified 52 products	○
■ Green Device Challenge Points: Achieve an average of 50 points	■ Achieved an average of 72 points	◎

Priority Objectives for Fiscal 2016	■ Super Green Products (Japan): Certify 50 products (criteria and evaluation content to be revised each year)
	■ Green Device Challenge Points: Achieve an average of 50 points (criteria and evaluation content to be revised each year)
Medium-Term Objectives (up to Fiscal 2017)	■ Super Green Products (Japan): Certify 50 products (criteria and evaluation content to be revised each year)
	■ Green Device Challenge Points: Achieve an average of 55points (criteria and evaluation content to be revised each year)

## Developing Green Products

Sharp calls its environmentally conscious products Green Products (GP). The GP Guidelines, which define development and design criteria in line with seven concepts, have been in use at all product design departments since fiscal 1998. In developing products, Sharp sets specific objectives according to the GP Standard Sheet, which is formulated based on the GP Guidelines. In the trial manufacture and mass production stages, it determines how well the actual product has met these objectives, with those achieving the Standards being awarded GP status. The content of the GP Standard Sheet—the benchmark for development objectives—is revised each year in order to constantly improve the environmental performance of Sharp products.

### Green Product Concepts

Energy Saving / Energy Creating	Products with superb energy-saving / energy-creating performance Improve the energy efficiency and reduce the energy consumption of products; other measures
Resource Conservation	Products designed to conserve resources Reduce the amount of materials used; design products that conserve resources during use; extend the life span of products; other measures
Recyclability	Products designed for recycling Design products that are easy to disassemble; use easy-to-recycle materials; other measures
Safe Use and Disposal	Products that can be used and disposed of safely Do not use substances that negatively affect people's health or the environment; other measures
Use of Green Materials and Devices	Products that use green materials and devices Use recycled materials / biomass-based plastics; other measures
Environmental Consciousness Pertaining to Batteries, etc.	Products that use batteries, manuals, and packaging with enhanced environmental consciousness Reduce product packaging; design products that allow easy removal of batteries; other measures
Showing Eco Information of Products	Products that show their environmental performance and information Acquire environmental labels (eco labels); Implement LCA; other measures

## Developing Super Green Products

Since fiscal 2004, Sharp has been certifying products that offer a particularly high level of environmental performance as Super Green Products (SGP). In fiscal 2015, 52 product models such as LCD TVs and refrigerators were certified as SGP. Sales of those products reached 170.2 billion yen, with SGP sales accounting for 31.3% of all GP sales in Japan.

# Environmental Activity : Product Development

In fiscal 2016, Sharp revised the criteria for this certification. Products are certified if they offer class-leading energy-saving or energy-creating performance or if they offer significant high environmental performance through the use of unique Sharp technology. This way, Sharp is aggressively pursuing the development of products that have higher level of saving-energy performance and resource conservation features, as well as developing high-efficiency solar cells.



SGP: Washing Machine which won the Director-General's Prize of the Agency for Natural Resources and Energy in the Product and Business Model category, in Japan's 2015 Energy Conservation Grand Prize program.

## Developing Green Devices

Sharp calls its environmentally conscious devices Green Devices (GD). To define guidelines for development and design based on seven concepts, Sharp established the GD Guidelines, which it began applying at all device design departments in fiscal 2004.

In developing devices, Sharp sets specific objectives according to the GD Standard Sheet, which is formulated based on the GD Guidelines; and in the trial manufacture and mass production stages, it determines how well the actual device has met these objectives, with those achieving the standards being named GD.

In fiscal 2013, Sharp revamped the GD assessment system by adding new criteria concerning forward-looking initiatives that take customer demands into consideration. The degree to which these criteria are satisfied is represented in points called GD Challenge Points. Sharp is continuously creating devices that have an even higher level of environmental performance by revising criteria every year. In fiscal 2015, Sharp focused on using environmental conscious parts and materials, and achieved 73 points, which are far beyond the target of 50 points.

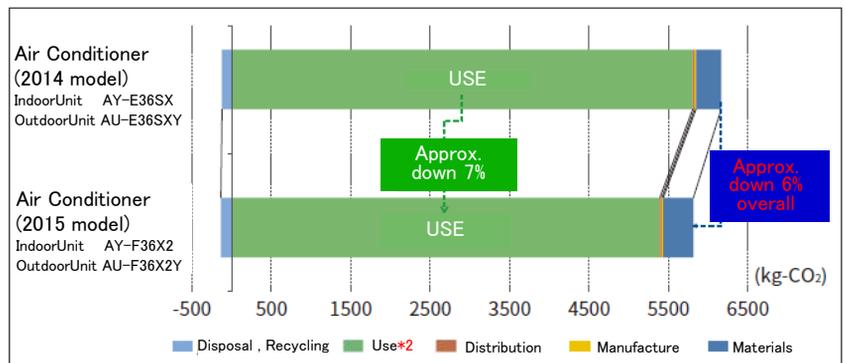
### Green Device Concepts

<b>Energy Efficiency</b>	Devices with superior energy efficiency and that consume less energy Reduce power consumption during operation and in standby mode; other measures
<b>Resource Conservation</b>	Devices designed to conserve resources Reduce device weight or volume; other measures
<b>Recyclability</b>	Devices designed for recycling Use standard plastic; design devices that are easy to disassemble; other measures
<b>Safe Use and Disposal</b>	Devices that can be used and disposed of safely Manage usage of chemical substances contained in parts and materials; other measures
<b>Long Life</b>	Devices that make products last longer Extend the life of the product with exchangeable parts and consumables (target: LCD devices); other measures
<b>Packaging</b>	Devices that use packaging with enhanced environmental consciousness Reduce packaging; other measures
<b>Information Disclosure</b>	Devices that give environmental information Provide information on chemical substances in devices; other measures

## Identifying and Reducing Environmental Impacts throughout the Life of Products

Sharp performs a life cycle \*1 assessment (LCA) on its products to identify their impact on the environment throughout their service life. Converting this impact into CO<sub>2</sub> emissions provides a quantitative measure that Sharp uses in its efforts to reduce environmental impacts. Air conditioners and other consumer electronics have a large impact during use.

□ LCA Data for Air Conditioners



Thus, by focusing on improving their energy savings, Sharp is effectively reducing overall environmental impact.

\*1 The life of a product from materials and parts procurement to manufacture, distribution, use, disposal, and recycling.

\*2 CO<sub>2</sub> emissions during use are calculated using a CO<sub>2</sub> emission coefficient of 0.554 kilograms CO<sub>2</sub>/kWh (announced by the Federation of Electric Power Companies of Japan for fiscal 2014).

## Environmental Activity : Product Development

### Green Procurement / Managing Chemical Substances in Products

#### Green Procurement—Reducing Environmental Impact in the Supply Chain

In fiscal 2000, Sharp established the Green Procurement Guidelines to procure goods with low environmental impact with the cooperation of suppliers, and it has been working to increase environmental consciousness at the level of parts and materials. In fiscal 2005, contracts with Sharp's suppliers were amended to require compliance with the Green Procurement Guidelines. In fiscal 2011, Sharp revised the guidelines to promote the biodiversity protection efforts of its suppliers.

In April 2015, Sharp revised its Supply-Chain CSR Deployment Guidebook to be in compliance with the EICC (Electronic Industry Citizenship Coalition) Code of Conduct. In doing so, Sharp integrated its green procurement survey and CSR procurement survey, which were conducted separately, into a single CSR/green procurement survey. Sharp and its suppliers will continue conducting business with a focus on environmental protection in order to reduce environmental impact throughout the entire supply chain.

#### Managing Chemical Substances in Products

Appliances contain a variety of chemicals. To properly manage these chemicals, countries around the world have enacted laws and regulations that bring these chemicals under control. In the EU, for example, the RoHS directive\*<sup>1</sup> restricts the use of specified chemicals in products, while REACH regulations\*<sup>2</sup> require companies to convey and disclose information on chemicals used throughout the supply chain. Countries such as Japan and China also have laws requiring companies to disclose information on certain chemicals contained in products.

In fiscal 1994, Sharp established its own standards for managing chemicals contained in parts and materials used for its products. Based on these standards—which were stricter than voluntary industry standards or standards stipulated by laws and regulations—Sharp introduced its original Chemical-Product Assessment (C-PA) system to evaluate the safety of chemicals. In this way, Sharp has been working to ensure the safety of products during use and to reduce the environmental impact at the time of disposal.

Sharp also has in place its own chemical substance management system, through which it cooperates with suppliers to collect data on chemicals contained in parts and materials. The company is working to upgrade and expand this database of chemicals contained in its products.

\*1 An EU directive on the "Restriction on the use of certain Hazardous Substances." (Promulgated in 2003; revised in 2011.)

RoHS restricts the use of lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl (PBB), and polybrominated diphenyl ether (PBDE) in electrical and electronic equipment entering the EU market after July 1, 2006. The use of Bis(2-ethylhexyl) phthalate (DEHP), Butyl benzyl phthalate (BBP), Dibutyl phthalate (DBP) and Diisobutyl phthalate (DIBP) will be restricted after July 22, 2019.

\*2 REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) is a set of EU regulations covering chemicals produced in and imported into the EU. (Took effect in 2007.)

## Environmental Activity : Product Manufacture

### Raising the Level of Environmental Performance in Factories

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
■ Implement Sharp Green Factory (ShGF) scheme in factories in Japan	■ Completion of Implement Sharp Green Factory (ShGF) scheme in factories in Japan	○
Priority Objectives for Fiscal 2016	■ Ongoing implement of ShGF scheme in factories in Japan, and trial implement ShGF scheme in factories in China and ASEAN countries	
Medium-Term Objectives (up to Fiscal 2017)	■ Implement ShGF scheme in factories in China and ASEAN countries	

### Promoting the Sharp Green Factory (ShGF) activities

Sharp defined the factory with high environmental consciousness as “Green Factory(GF)”. In fiscal 1999, Sharp started assessment and certification for its factories, based on the GF guideline. In fiscal 2003, Sharp introduced a system for “Super Green Factory(SGF)” to raise the level of environmental performance at its factories. In SGF, the scope of assessment criteria were expanded. It includes both “hard” aspects, such as introducing high-efficiency equipment and exhaust abatement systems, and “soft” aspects, such as the appropriate operation, and management of those equipment and systems. By fiscal 2014, almost all Sharp factories had achieved targeted levels of environmental performance and Super Green Factory (SGF) status. From fiscal 2015, Sharp launched a new scheme called Sharp Green Factory (ShGF), which aims to maintain existing high levels of environmental performance and raise operational safety levels, and completed the introduction of ShGF to Sharp factories in Japan.

### Maintaining Environmental Performance Levels of Factories

Sharp defined the ratio of environmental load in the four key areas of energy, waste, water resources and chemical substances and Physical index(numbers of LCD panel production, output of the product etc.) as environmental efficiency rate.

Sharp monitors the levels of environmental efficiency rate of each factory. And if the values deviate from normal range, the Quality and Environmental Promotion Group and each factory work together to identify the cause and take countermeasures.

In fiscal 2016, Sharp plans to adjust environmental efficiency ration, based on the operation situations of each factory. And Sharp continues to promote these activities in factories in Japan, and starts trial implement in factories in China and ASEAN countries.

### Maintaining Operational Safety Levels of Factories

Sharp has formulated the Environmental Safety Operations Guidelines, which are being utilized in factories in Japan and China. The guideline explains both environmental maintenance procedures (mainly in response to laws and regulations) and the appropriate management of factory infrastructure and environment-related equipment. The aim of the guidelines is to enable Sharp to respond correctly to the strengthening of factory-related laws and regulations and to the deterioration of facilities and equipment over time.

Based on the guideline, each factory makes self-audit to maintain the levels of operational safety, and hold the conference to share the know-how on operational safety. In fiscal 2016, Sharp plan to introduce “Environmental Safety Operation Guidelines” in factories in ASEAN countries.

# Environmental Activity : Product Manufacture

## Curbing Greenhouse Gas Emissions

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
■ Improvement rate of specific energy consumption rate (baseline year: fiscal 2012): 25%	■ Improvement rate of specific energy consumption rate (baseline year: fiscal 2012): 23%	△
Priority Objectives for Fiscal 2016	■ Improvement rate of specific energy consumption rate (baseline year: fiscal 2012): 25%	
Medium-Term Objectives (up to Fiscal 2017)	■ Improvement rate of specific energy consumption rate (baseline year: fiscal 2012): 27%	

### Sharp Group Activities to Control Greenhouse Gas Emissions

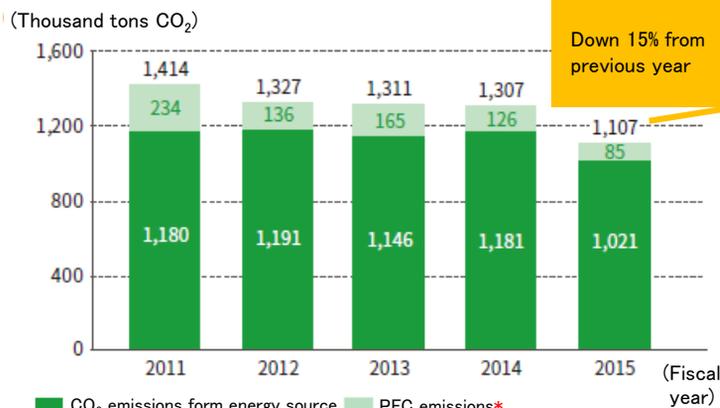
Sharp is taking active measures to curb greenhouse gas (GHG) emissions resulting from its business activities in an effort to contribute to the prevention of global warming.

In fiscal 2015, the Sharp Group’s GHG emissions decreased by 15% compared to the previous fiscal year(decreased 200 thousand ton-CO<sub>2</sub>). However, due to the decrease of the production volumes, the improve rate (baseline year :fiscal 2012) was 23%, which was 2% below the target.

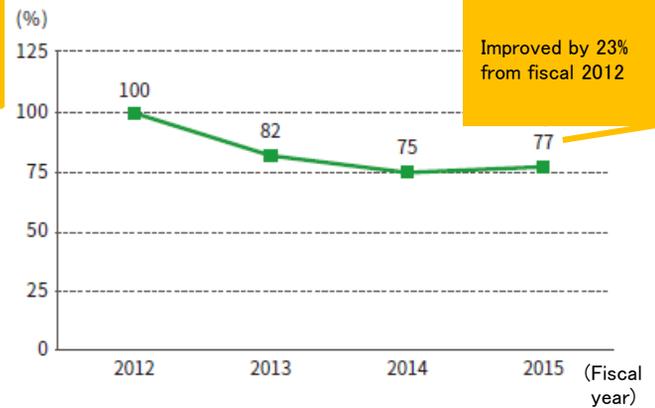
Each factory is strengthening efforts involving all equipment and systems—ranging from production lines to utility systems for supplying electricity, gas, and water.

Especially for the factories of LCD panels and electronic components, employees of production, engineering, and environmental promotion group work together to reduce the amount of based-load energy consumption, applying inverter equipment, and optimizing air conditioning in the clean rooms.

□ Amount of GHG Emissions of Sharp Group



□ Energy consumption rate of Sharp Group(baseline year:Fiscal 2012)



\* HFCs,PFCs, Sulfur hexafluoride(SF6), nitrogen trifluoride(NF3), HCFCs

# Environmental Activity : Product Manufacture

## Minimizing and Recycling Waste

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
■ Final landfill disposal rate of 1.1% or less	■ Final landfill disposal rate of 1.0%	○
Priority Objectives for Fiscal 2016	■ Final landfill disposal rate of 1.0% or less	
Medium-Term Objectives (up to Fiscal 2017)	■ Final landfill disposal rate of 1.0% or less	

### Curbing the Amount of Waste, etc. Generated by the Sharp Group

Sharp has been working to reduce waste and to recycle as much of it as possible in an effort to contribute to building a resource-recycling society.

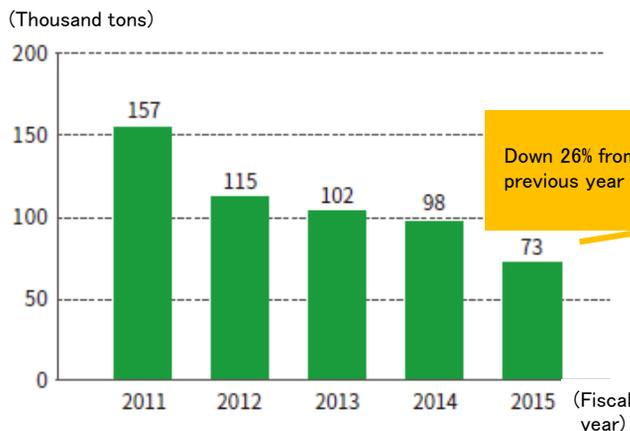
In fiscal 2015, the amount of waste, etc. generated by the Sharp Group decreased by 26% (decreased 25 thousand tons) compared to the previous fiscal year, and final landfill disposal rate was 1%. The values achieved more than the target.

As a result of ongoing efforts to recycle solid and liquid waste and to recover valuable resources, in fiscal 2015 Sharp factories in Japan achieved zero discharge to landfill\* for the 15th consecutive year. Final landfill discharge rate of Sharp factories was 0.002%.

In fiscal 2015, Tenri factory(Tenri city, Nara prefecture) was awarded a “Reduce, Reuse, Recycle Promotion Council President’s Prize”, for the efforts of reduction of waste fluid in production process.

\* Sharp defines “zero discharge to landfill” as a final landfill disposal rate of less than 0.5%.  
 Final landfill disposal rate (%) = Amount of landfill disposal ÷ amount of waste, etc. generated × 100.

□ Amount of Waste, etc. of Sharp Group



□ Final landfill disposal rate of Sharp Group



# Environmental Activity : Product Manufacture

## Effectively Managing Chemicals Used in Factories

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
■Improvement rate of amount of PRTR chemicals released and transferred per production unit (baseline year: fiscal 2012) : 10%	■Improvement rate of amount of PRTR chemicals released and transferred per production unit(baseline year: fiscal 2012): 48%	◎
Priority Objectives for Fiscal 2016	■Improvement rate of amount of PRTR chemicals released and transferred per production unit (baseline year: fiscal 2012): 50%	
Medium-Term Objectives (up to Fiscal 2017)	■Improvement rate of amount of PRTR chemicals released and transferred per production unit (baseline year: fiscal 2012): 50% and more	

### Effective Management of Chemical Substances and Risk management

Sharp meticulously controls chemical substances used at its factories. When introducing new chemical substances and new handling equipment, Sharp conducts rigorous preliminary audits based on its own process assessment system\*1 to ensure employees' safety and health and to minimize environmental impact. Sharp strives for effective management of chemical substances: employees handling these go through regular education and drills to prevent accidents, and checks are carried out through an environmental safety operations audit system .

Sharp also monitors and reports the release and transfer of chemical substances covered by the PRTR Law\*2. Of these PRTR chemicals, 18 were handled in Japan and 9 overseas\*3 in quantities of 500 kg or more by one or more plants during fiscal 2015.

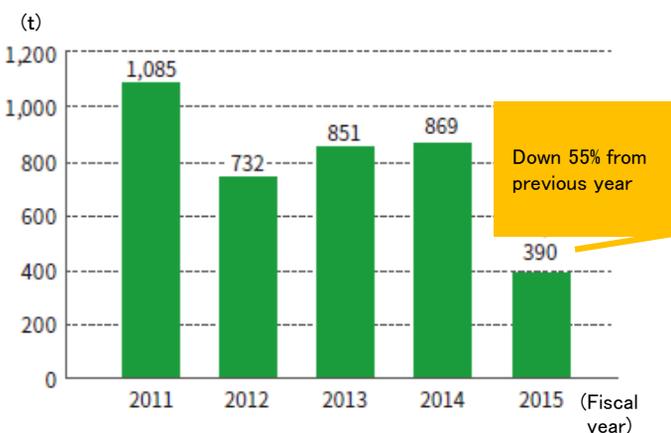
In fiscal 2015, by promoting improvement of recycling process of used chemicals, the Sharp Group succeeded to reduce release and transferred amount by 55%(decreased 479tons) from previous year, and was able to achieve improvement rate of amount of PRTR by 48% compared with fiscal 2012, which is greatly above the target.

\*1 An in-house system for preliminarily assessing and confirming the safety, environmental load, and other factors of chemical substances and their handling equipment.

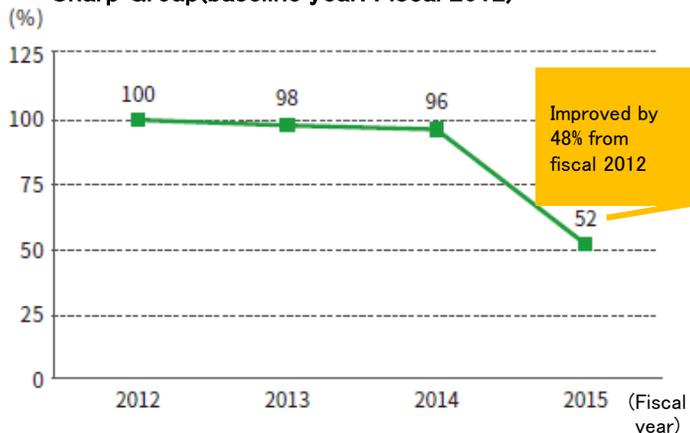
\*2 PRTR: Pollutant Release and Transfer Register. A system that mandates the collection and dissemination of information, such as the amount of harmful chemicals discharged and transferred.

\*3 Sharp defines target substances based on laws in Japan.

□ Amount of Chemical Substances Released and Transferred of Sharp Group



□ Amount of Chemical Substances Released and Transferred per production unit of Sharp Group(baseline year: Fiscal 2012)



## Environmental Activity : Product Manufacture

### Proper managements and storage of PCB

In Japan, Sharp properly storages and manages PCB waste in accordance with The Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. Sharp is on track to finish treating PCB waste to make it harmless by the legally set March 31, 2027 deadline.

### Risk management of soil and underground waters

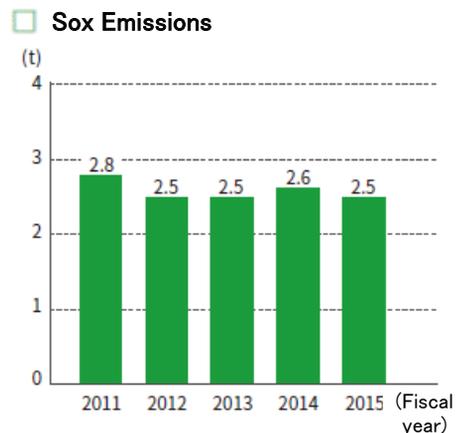
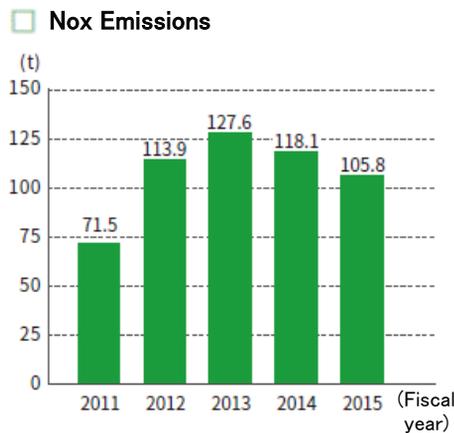
To minimize the risk of environmental pollution and accidents by chemical substances, Sharp set up in-house standards and promotes risk management activities. Sharp takes proactive actions to prevent possible accidents and pollution of chemicals, such as multiple leak prevention measures for the facilities which utilize chemical substances.

Some factories which identified chlorine solvent pollution in the past have been regularly reporting notifications to government authorities and local residents of the clean up progress.

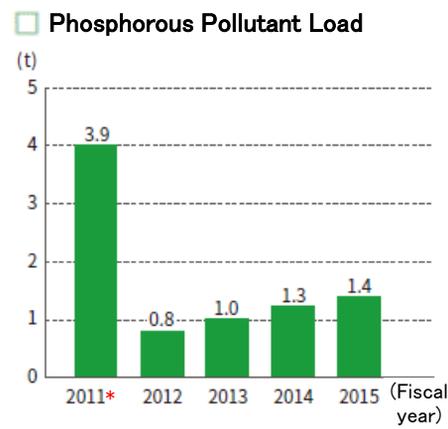
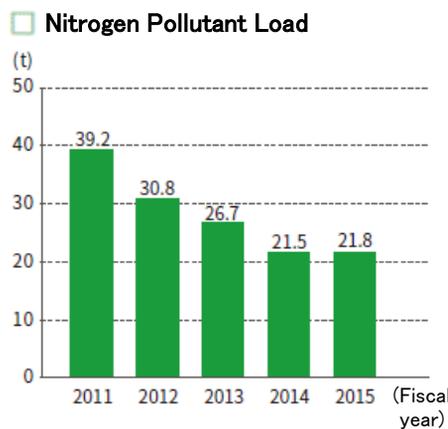
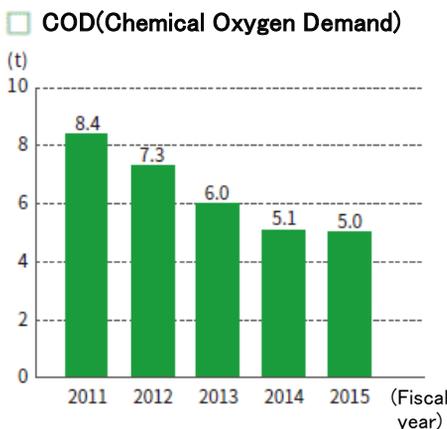
### Proper managements of air and water emissions

Sharp properly manages pollutants that affect air and water quality by establishing voluntary standards that are stricter than those set forth in law and regulations and than those agreed upon with local communities.

#### Atmospheric Emissions of Sharp Group in Japan



#### Emissions into Water Areas of Sharp Group in Japan



\* Results for fiscal 2011 showed an increase in the phosphorous pollutant load, due to a change in production chemicals used at Sharp Yonago Corporation; however, it was still below the maximum level allowed by law.

# Environmental Activity : Product Manufacture

## Effectively Using Water Resources

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
■ Improvement rate of volume of new water used per production unit (baseline year: fiscal 2012): 22%	■ Improvement rate of volume of new water used per production unit (baseline year: fiscal 2012): 17%	△
Priority Objectives for Fiscal 2016	■ Improvement rate of volume of new water used per production unit (baseline year: fiscal 2012): 22%	
Medium-Term Objectives (up to Fiscal 2017)	■ Improvement rate of volume of new water used per production unit (baseline year: fiscal 2012): 22% and more	

### Sharp Group Reduces the Amount of New Water Used and Uses More Recycled Water

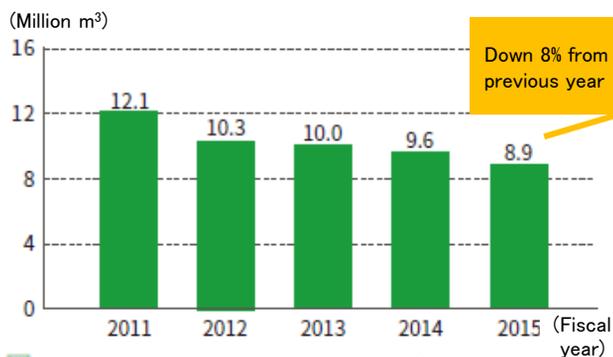
Sharp is striving to make effective use of water resources by not only reducing the amount of new water, but also by expanding the use of recycled water.

The volume of new water used by the Sharp Group in fiscal 2015 decreased by 8%(reduced 0.7 million m<sup>3</sup>) compared to the previous fiscal year. However, due to reduce of production volume, the improvement rate of volume of new water used per production unit(baseline year: fiscal 2012) remains 17% which was 5% below the target.

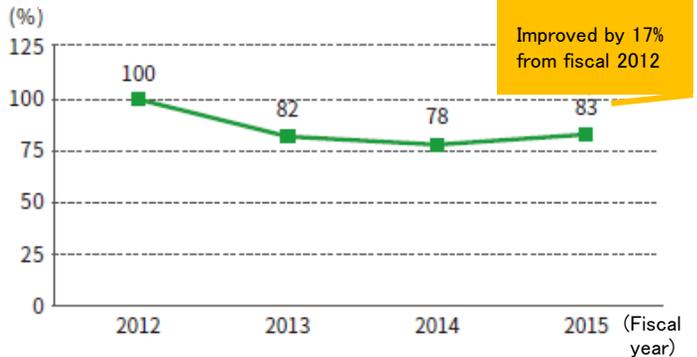
The Kameyama Factory (Kameyama, Mie Prefecture, Japan) and the Mie Factory (Taki District, Mie Prefecture, Japan) require a large amount of water in the production process for LCD panels. At both factories, Sharp has adopted a closed-loop water recycling system that recovers and reuses nearly 100% of the water discharged from the production process. Through measures such as this, the Sharp Group is maintaining a recycling rate\* of at least 60%.

\* Recycling rate = Amount recycled ÷ (amount of new water + amount recycled)

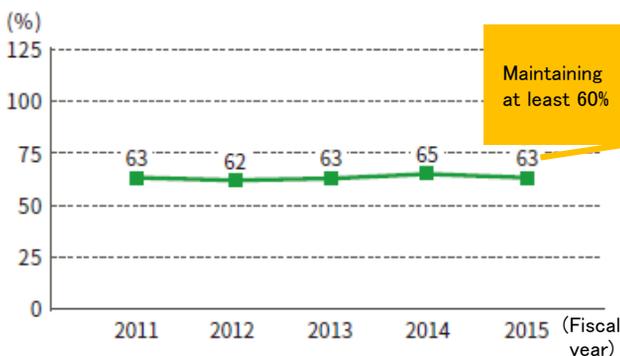
□ Volume of New Water Used of Sharp Group



□ Volume of new water used per unit produced of Sharp Group(baseline year: Fiscal 2012)



□ Water Recycling Rate of Sharp Group



## Environmental Activity : Logistics

### Reducing Logistics-Related Environmental Impact

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<p>■ Reduce by average of 1% each year in Sharp logistics in Japan (average for fiscal 2011 to 2015)</p>	<p>■ Reduce by average of 10.1% each year (average for fiscal 2011 to 2015)</p>	◎
<p>Priority Objectives for Fiscal 2016</p>	<p>■ Reduce by average of 1% each year (average for fiscal 2012 to 2016)</p>	
<p>Medium-Term Objectives (up to Fiscal 2017)</p>	<p>■ Reduce by average of 1% each year (average for fiscal 2013 to 2017)</p>	

## Reducing the Environmental Impact of Logistics in Japan

Sharp observes a rule set forth in the Japanese Law Concerning the Rational Use of Energy (Energy Conservation Law) that requires specified shippers to reduce CO<sub>2</sub> emissions per shipping volume by 1% or greater per year. Sharp Group in Japan is working to steadily reduce the environmental impact and costs associated with logistics by improving transport and load efficiencies and by shifting to environmentally friendly modes of transport (modal shift).

In fiscal 2015, Sharp Group CO<sub>2</sub> emissions from shipping activities in Japan were 19 thousand tons (down 21% from the previous fiscal year). An average annual reduction of 10.1% for the most recent five years (from fiscal 2011 to 2015) has been achieved.

Sharp is steadily shifting from conventional trucking to more environmentally friendly modes of transport, such as shipping (non-international coastal trading vessels) and rail (Japan Railways containers). Through overall efforts in transport in fiscal 2015, Sharp was able to maintain the rate of modal shift at 23.2%, which is the same level of previous fiscal. And, by unloading imported goods at harbors chosen for their proximity to their main sales locations, Sharp is reducing re-transport between distribution centers. These efforts enable Sharp to reduce the environmental impact of its distribution activities.

As in fiscal 2014, Sharp was certified in fiscal 2015 with an Eco Rail Mark \* by the Ministry of Land, Infrastructure, Transport, and Tourism and the Railway Freight Association.

\* Products or companies that use a certain amount of rail transport for freight are given Eco Rail Mark certification. Products or companies use the mark to provide consumers a criterion for choosing products

## Reducing the Environmental Impact of International Logistics

Sharp has a wide range of initiatives to reduce the amount of CO<sub>2</sub> that is emitted as a result of international and intraregional shipping. The company is reducing airfreight volume as it switches to environmentally friendly modes of transport, and it is also improving load efficiency. Further, it is reviewing shipping routes and switching to harbors that are closer to the final destinations for products. Sharp is also switching to suppliers located closer to its factories.

In fiscal 2015, the CO<sub>2</sub> emissions from international and intraregional transport of products and devices produced and sold by Sharp Corporation came to approximately 208 thousand tons, which was reduced by 0.6% from previous fiscal year.

## Environmental Activity : Recycling

### Expanding the Recycling of Used Products

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<p>■ Increase amount of recycled plastic by dismantling to smaller pieces by hands</p>	<p>■ Instead of increasing amount of recycled plastic, improved the grade of plastics collected from used refrigerators by removing stainless steels which stick to the plastic as reinforcement materials</p>	△
<p>Priority Objectives for Fiscal 2016</p>	<p>■ Construct high-efficiency recycling line to deal with increase number of flat-panel TVs sent to recycling</p>	
<p>Medium-Term Objectives (up to Fiscal 2017)</p>	<p>■ Upgrade and expand high-efficiency recycling line of flat panel TVs, and improve the grade of collected materials</p>	

### Recycling Four Kinds of Home Appliances in Japan (Air Conditioners, TVs, Refrigerators, and Washing Machines)

As a member of the B Group\*1 for home appliance recycling, Sharp has constructed—and is operating—a highly efficient recycling system consisting of 18 recycling plants in Japan.

In fiscal 2015, Sharp collected about 1.44 million units (101% of the previous fiscal year) of the four types of appliances covered by the Home Appliance Recycling Law. For all four appliance types, the B Group's rate of recycling greatly exceeded the legally stipulated levels\*2.

\*1 The B Group consists of Sharp Corporation, Sony Corporation, Hitachi Appliances, Inc., Fujitsu General Ltd., Mitsubishi Electric Corporation, and other companies.

\*2 Recycling rates of 80% for air conditioners, 55% for CRT TVs/74% for flat-panel TVs, 70% for refrigerators/freezers, and 82% for washing machines/dryers).

### Effectively using resources and Improving Recycling efficiency at the Recycling Plant

Sharp and Kansai Recycling Systems Co.,Ltd \*3 are joining forces to make effective use of resources and to improve recycling efficiency in Japan. In fiscal 2015, they originally planned increasing amount of plastics by fine dismantle of used product by hands. However, to make a higher effect on the recycling, they changed target to improve the grade of plastics collected from used refrigerators by removing stainless steels which stick to the plastic as reinforcement materials. In refrigerator recycling process, originally some of refrigerant collection process was conducted outside of the recycling lines. They changed the place of this process to inside the collection lines, and it contributed to improving not only efficiency but also safety in the recycling.

\*3 A consumer electronics recycling company established in Japan with joint investment from Sharp, Mitsubishi Materials Corporation, and four other companies.

### Reusing and Recycling Copiers and MFPs in Japan

Sharp is reusing and recycling copiers and MFPs collected both through Sharp distribution channels and through common industry channels. In fiscal 2015, approximately 25,000 used copiers and MFPs were collected for either reuse or recycling. The company is also collecting used toner cartridges and remanufacturing them to the same quality standard of new products, thus assuring that customers will always get the same high quality. Sharp designs its toner cartridges for easy reuse and recycling; this ensures durability and reduces the amount of time needed to reprocess used cartridges.

### Recycling Used Products Overseas

In September 2007, SEC—Sharp's manufacturing and sales subsidiary in New Jersey—established the Electronic Manufacturers Recycling Management Company, LLC (MRM)\*4 tasked with recycling audio-visual products, especially TVs, the MRM program has since expanded nationwide to offer recycling opportunities at approximately 1,298 collection points. Working in compliance with the laws and regulations of each state, MRM recycled approximately 47,330 metric tons of used consumer electronics in fiscal 2015.

\*4 A Cooperative corporation among Panasonic Corporation of North America, and Toshiba America Consumer Products, LLC, and SEC.

## Environmental Activity : Recycling

### Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
Develop technology for adding extra value to recycled plastic materials (flame-retardant HIPS*1): Development of basic technology	■ Develop technology for adding extra value to recycled plastic materials (flame-retardant HIPS): Development of basic technology (Establish formula for imparting properties)	○
Priority Objectives for Fiscal 2016	■ Develop technology for practical application of recycled plastic material (flame-retardant HIPS)	
Medium-Term Objectives (up to Fiscal 2017)	■ Practical application of recycled plastic material (flame-retardant HIPS)	

\*1 High-impact polystyrene (general-purpose polystyrene given impact resistance by adding rubber).

## Expanding Closed-Loop Plastic Material Recycling Technology for the Repeated Reuse of Plastic

As the company strives to contribute to the creation of a sustainable, recycling-based society, Sharp considers environmental friendliness a key factor in all stages of a product's life cycle, from design to manufacture to disposal. In particular, Sharp is focusing on recycling materials recovered from used products. Sharp and Kansai Recycling Systems Co., Ltd. \*2 jointly developed closed-loop plastic material recycling technology that enables the repeated recovery of plastic from used consumer electronics products as well as the reuse of that plastic in parts of new consumer electronics products for the Japanese market. This technology has been in practical use since fiscal 2001.

Thanks to the development and introduction of technologies that integrate everything from recovery to quality control, Sharp has been able to increase the volume of recyclable plastic year after year. These technologies include **1** a technology for recovering high-purity PP \*3 from mixed plastic and metal parts and **2** a technology for improving the properties of recovered PP, PS \*4 and PC+ABS \*5 materials so that their quality is on a par with that of new materials. Sharp is also developing **3** another technology that will give materials added value by imparting properties such as flame retardancy and antibacterial effects, with the aim of expanding applications for recycled plastic.

In order to make effective use of materials recovered from discarded flat-panel TVs whose quantity is expected to rise greatly in the future, in 2015 fiscal year, Sharp started to develop technology for adding extra value to recycled plastic material (flame-retardant HIPS) which is largely used in the back cabinets. With optimal blending of flame-retardant HIPS possessing high impact resistance as well as flame retardancy and GPPS \*6 possessing high stiffness, Sharp developed a new recycled plastic material having impact resistance, retardancy and stiffness in a balanced manner. In fiscal 2016, Sharp will develop technology for practical application of this recycled plastic material.

\*2 A consumer electronics recycling company established in Japan with joint investment from Sharp, Mitsubishi Materials Corporation, and four other companies.

\*3 Polypropylene

\*4 Polystyrene

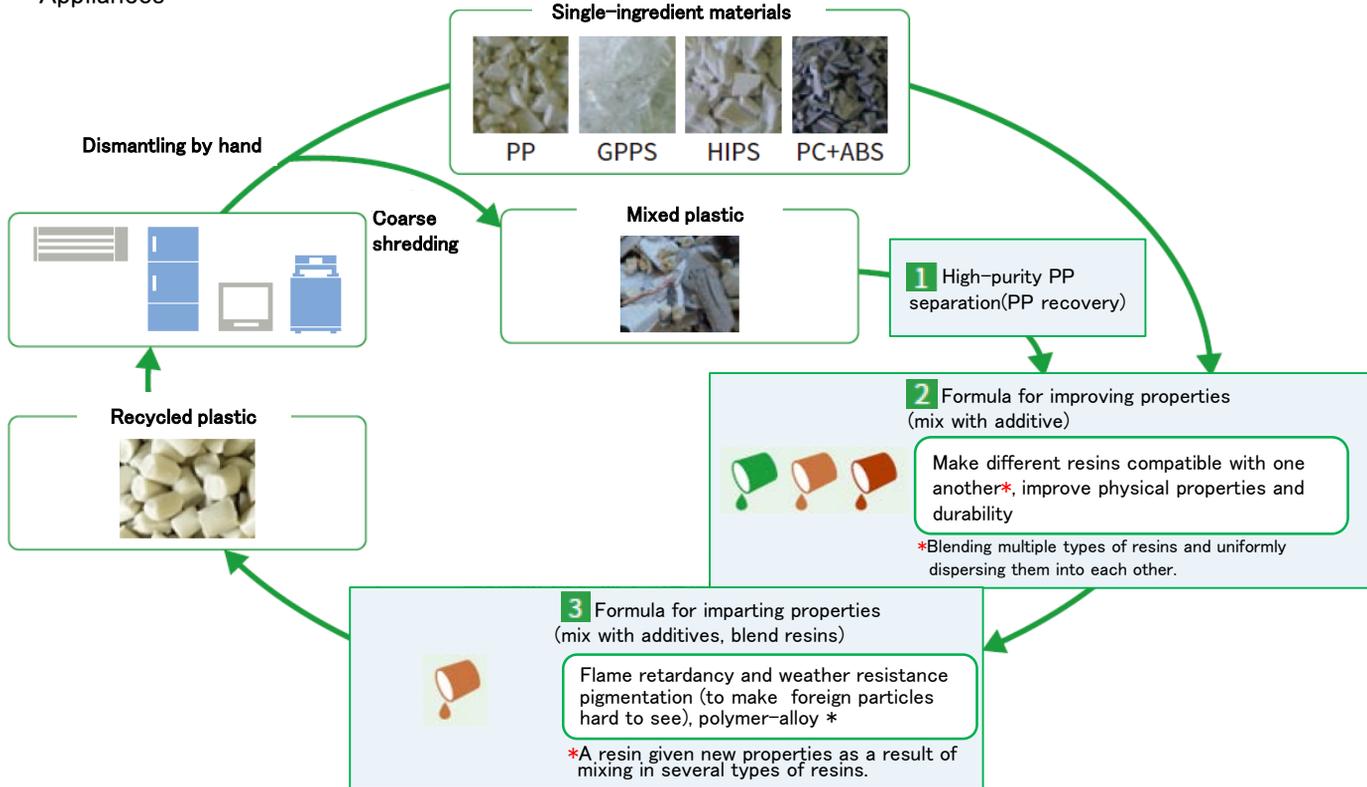
\*5 A polymer alloy of polycarbonate and acrylonitrile, butadiene, and styrene (a macromolecular material given new properties as a result of mixing in several types of polymers).

\*6 General-purpose polystyrene (a plastic, which has high transparency and processability, used as material for trays of refrigerator).

## Environmental Activity : Recycling/Protecting Biodiversity

### Environmental Technologies That Contribute to a Sustainable, Recycling-Based Society

□ Recycling Plastic Recovered from the 4 Types Home Appliances



## Protecting Biodiversity

### Biodiversity Protection through Business and Social Action Programs

While Sharp's business activities impact biodiversity, the company also benefits from the resources that biodiversity provides. That is why Sharp is globally promoting its biodiversity protection through business and social action programs.

Based on the Sharp Group Policy on the Sustainable Support of Biodiversity, Sharp formulated the Sharp Biodiversity Initiative in November 2009. The Initiative describes biodiversity in an easy-to-understand manner, and it outlines concrete measures for business activities and social action programs that take biodiversity into account.

In fiscal 2015, each Sharp base conducted various activities geared to its specific circumstances such as protection of the Sana river which flows near Mie Plant (Taki District, Mie Prefecture).

#### ■ Sharp's Efforts for Protecting Biodiversity



## Social Activities : Fair and Impartial Procurement Activities

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

Sharp has production activities around the world and chooses who it will procure local parts, materials, and equipment from by providing all Japanese and overseas business partners with an equal opportunity to do business with Sharp. This opportunity includes a fair evaluation of whether a supplier meets Sharp 's requirements for quality , standards, and performance. Sharp aims to maintain impartiality and fairness in all purchasing activities, in order to facilitate a prosperous coexistence with business partners.

### Close Communication and Mutual Understanding

To ensure continued mutual growth and prosperity with its suppliers, Sharp is going beyond initiatives related to the quality, price, and delivery of parts and materials. Through CSR initiatives across the supply chain, Sharp is also seeking to fulfill its social responsibilities over a wide range of areas that include product safety, environmental protection, human rights and labor, and health and safety.

In both the Basic Purchasing Principles and the Sharp Supply-Chain CSR Deployment Guidebook, which summarizes Sharp's basic concept based on the Basic Purchasing Principles, Sharp clearly declares the implementation of CSR initiatives—such as complying with all laws, regulations, and social standards, and protecting the environment—as one of its procurement policies. Specifically, these include prohibition of child/forced labor and discrimination, as well as compliance with labor-related laws, such as those dealing with employees' right to organize and their right to collective bargaining. Sharp also asks its business partners to actively promote such activities. To deepen the understanding between Sharp and its business partners, Sharp in-house company and business divisions ,overseas production bases have been holding regular roundtables and meetings for their suppliers. In addition, Sharp exchanges information with supplier sales representatives on a daily basis.

#### Basic Purchasing Principles Requests to Suppliers

- |   |   |
|---|---|
| ① Compliance with laws and social standards   | ② Promotion of sound business operations    |
| -Compliance with laws related to manufacture and distribution of material                         | ③ Consideration for the environment         |
| -Compliance with laws related to labor  | ④ Securing optimal quality and cost         |
| -Compliance with laws related to health and safety and arrangement of proper labor environment    | ⑤ Stable supply of parts and materials      |
| -Prohibition of child and forced labor  | ⑥ Leading technology                        |
| -Prohibition of discrimination based on race and sex and respect for the dignity of each employee | ⑦ No disclosing of confidential information |
| -Compliance with environmental laws   |   |
| -Prohibition of bribery and unfair acts   |   |

Related information:>[Basic Purchasing Principles](#)

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

To comply with the Subcontract Act (The Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) in Japan, Sharp Corporation and its affiliated companies implement compliance checks and in-house education on an ongoing basis. Regarding compliance checks as usual, to encourage internal voluntary reporting of compliance issues and further strengthen precautionary measures to prevent recurrence of problems, the material purchase departments of in-house company and business divisions, as well as Head Office groups and affiliated companies, began self-audits in which they check how well they are complying with the Subcontract Act. Furthermore, Sharp Corporation and its affiliated companies in Japan carried out periodic internal audits, and enlightened these employees the Subcontract Act.

# Social Activities : Fair and Impartial Procurement Activities

## Promoting CSR across the Supply Chain

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>■ Implement CSR procurement surveys based on international CSR standards</li> <li>■ Expand CSR audits in collaboration with external audit organizations</li> </ul>	<ul style="list-style-type: none"> <li>■ Revised the survey content in accordance with the EICC Code of Conduct and conducted surveys of approximately 2,000 suppliers (at approximately 3,600 sites) worldwide</li> <li>■ Conducted CSR audits using external audit organizations in Japan and overseas</li> </ul>	○
Priority Objectives for Fiscal 2016	<ul style="list-style-type: none"> <li>■ Develop and trial of risk assessment process, including selection of suppliers to be audited, based on importance degree of transaction and evaluation results of survey</li> </ul>	
Medium-Term Objectives (up to Fiscal 2017)	<ul style="list-style-type: none"> <li>■ Firmly establish functions for CSR procurement surveys and audits</li> </ul>	

## Enlightenment and survey for suppliers

To help its suppliers gain an understanding of Sharp's CSR philosophy and to promote CSR-related measures among suppliers, Sharp created and distributed its own Sharp Supply-Chain CSR Deployment Guidebook, and an article on CSR initiatives that requests adherence to the guidebook was added in the Basic Parts Purchase Agreement. In addition, Sharp conducts CSR/Green procurement surveys based on this guidebook annually and requests to low evaluation suppliers to submit a corrective action plan and provides necessary support to raise the level of their CSR initiatives continuously.

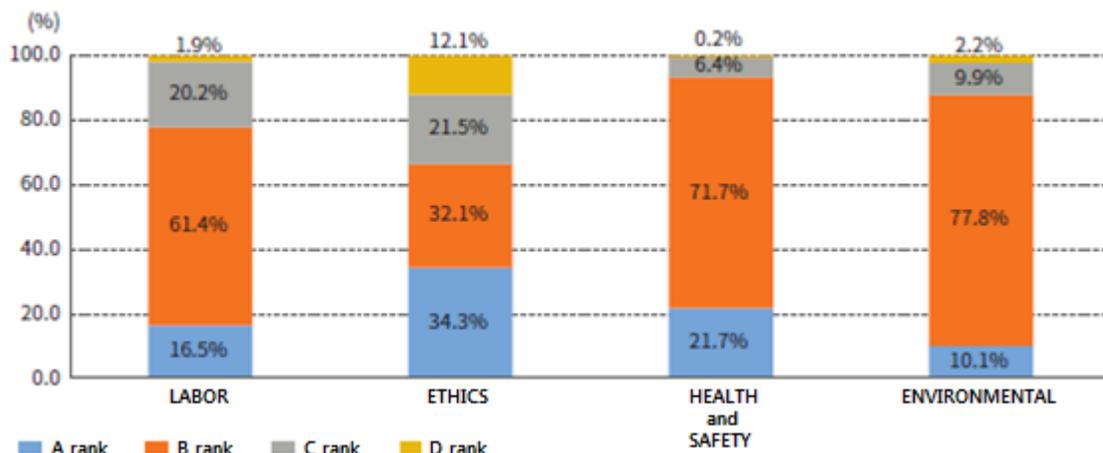
In April 2015, Sharp revised the content of its guidebook based on the EICC ※ Code of Conduct, a global standard for the electronics industry.

After fiscal 2016, Sharp will continue to conduct the survey and promote CSR initiatives throughout the supply chain.

※Electronic Industry Citizenship Coalition, an influential international organization promoting supply chain CSR.

Related information:>[CSR Procurement](#)

□ CSR-Green Procurement Survey Status (Evaluation results of production bases in fiscal 2015)



## Social Activities : Fair and Impartial Procurement Activities

### CSR Audit Status

With global business operations, CSR requests from stakeholders including our clients in line with the with the international CSR standards is demanded by stakeholder commencing with business clients of Sharp. Sharp has started CSR audits using external audit organizations to conduct CSR Audits since fiscal 2014 to promote CSR efforts that meet the expectations of stakeholders .In fiscal 2015, Sharp conducted CSR audits at factories in Japan and China ,and made necessary improvements.



CSR audit in China

In fiscal 2016 , Sharp will nurture further trust with clients and strengthen its partnership by responding appropriately to international and clients' CSR standard s as well as by establishing and expanding its CSR audit system.

### Initiatives for Dealing with the Conflict Minerals Issue

Sharp respects for the spirit of the conflict minerals provision of the Dodd–Frank Wall Street Reform and Consumer Protection Act established in the US in July 2010, and conducts appropriate measures with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict–Affected and High–Risk Areas to ensure compliance with the basic policy ※1 that any raw materials, parts, products, etc. which include any conflict minerals shall neither be procured nor used.

From fiscal 2012, by participating in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), Sharp has enhanced coordination with CFSI ※2 , the Japanese automotive industry and related industries, and conducts conflict minerals surveys based on requests from client companies, by industrial–standard reporting template (CMRT※3).

In fiscal 2015, to contribute to solving the Conflict Minerals Issues, Sharp carried out various activities in collaboration with industries, such as improving its own survey system to strengthen check function of CMRTs from suppliers, joint hosting the Conflict Minerals Inquiry Briefings for suppliers in collaboration with the JEITA Responsible Minerals Trade Working Group, sending outreach letters to encourage smelters or refiners to participate in audit program (CFSP ※4), etc..

In fiscal 2016, Sharp continuously promotes its responsible minerals procurement activities through further improving its survey system and expanding due diligence efforts guided in OECD guidance.

※1 [For details about our basic policy, please click here.](#)

※2 Conflict–Free Sourcing Initiative (an international organization engaged in the conflict minerals issues.)  
JEITA is also a member of CFSI as a partner association.

※3 Conflict Minerals Reporting Template, established and issued by CFSI.

※4 Conflict Free Smelter Program

## Social Activities : Quality

### Ensuring Quality and Safety

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<p>■ Improve global quality</p> <p>Japan: Strengthen quality-improvement capabilities by acquiring technical knowledge</p> <p>Overseas: Strengthen human resource development measures to improve quality</p>	<p>■ Improve global quality</p> <p>Japan: Respond better to regulation audit and serious quality problems.</p> <p>Overseas: Held practical training on quality related technology in China and the ASEAN Region</p>	○
<p>Priority Objectives for Fiscal 2016</p>	<p>■ Enforce functions and strengthen human resource development to prevent serious quality problems including a law violation</p>	
<p>Medium-Term Objectives (up to Fiscal 2017)</p>	<p>■ Globally deploy quality- and service-personnel training</p> <p>Globally train experts to have both quality and service expertise and the capability to provide guidance.</p>	

### Basic Stance and Vision on Service and Quality

To gain customer trust and improve customer satisfaction, the Sharp Group meets customer needs and demands, offers high-quality products and services that are safe, reliable, and environmentally friendly.



### Quality Assurance System

Sharp specifies the quality levels it provides to customers, thus ensuring that all employees in product planning, design, production, sales, and after-sales service aim for the same targets in their ongoing pursuit of quality improvement. All Sharp Corporation business divisions and all production sites of consolidated subsidiaries in Japan and abroad have obtained the international ISO 9001 certification of quality management.

They have also adopted the SHARP Corporation Standards—the Sharp Group's proprietary quality assurance standards—and conduct various quality assurance activities in each stage of the product-making process— from planning, design, and manufacture to testing/evaluation and marketing.

## Social Activities : Customer Satisfaction

### Enhancement of Customer Satisfaction

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<p>■ Improve global customer satisfaction</p> <p>Japan : Increase customer satisfaction by enhancing service capabilities and customer response skills</p> <p>Overseas : Promote measures to raise customer response skills in the ASEAN region</p>	<p>■ Improve global customer satisfaction</p> <p>Japan : Distributed CS manual and conducted skill check to Service Centers</p> <p>Overseas : Held CS mind training and developed local trainer in Thailand ,Malaysia and Vietnam</p>	○
Priority Objectives for Fiscal 2016	<p>■ Fixation and expansion of the CS mind training in the ASEAN area, upbringing promotion of the local trainer</p>	
Medium-Term Objectives (up to Fiscal 2017)	<p>■ Increase customer satisfaction by the global expansion of enhancing service capabilities and customer response skills</p>	

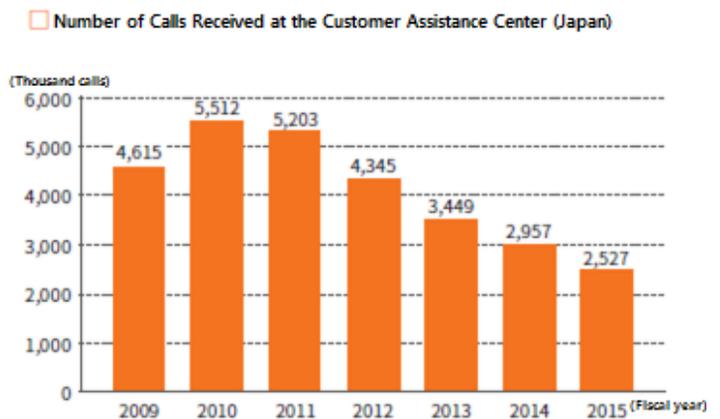
### Customer Service That Exceeds Expectations

From the moment a customer first considers buying a Sharp product, Sharp’s Customer Assistance Center in Japan always aims to meet or exceed customer expectations.

All Customer Assistance Center agents (operators) are periodically monitored by a response-quality manager. Based on those results, agents undergo training to improve their responsiveness in terms of providing assistance that matches the customer inquiry as well as their methods of phrase ,speaking and listening. This enables the agents to maintain a high level of response skills while also boosting their awareness of customer satisfaction. In fiscal 2015, Sharp enhanced the support section of its website so that customers can solve problems without calling the Customer Assistance Center. The website provides enhanced customer-oriented services that include Fault Diagnosis Navigation, where customers themselves diagnose the symptoms and solve problems(expansion of the symptom , presentation of the repairing rough estimate cost in case repairing is needed) by following instructions on the screen.

There’s also the Visual Guide, which employs video images to explain how to maintain products—something that can be difficult to explain with just words and illustrations.

The number of inquiries to the Customer Assistance Center went down after peaking in 2010. It’s the effect by product improvement activity for Quality and usability improvement ,online support and toll-free number that gives automated responses to help callers solve common issues . Sharp will promote continual improvement in order to increase Customer’s convenience.



## Social Activities : Customer Satisfaction

### Making Easier-to-Use Products

#### Activities of user-centered design(UCD)

In order to deliver products that customers find easy to use, Sharp is practicing UCD. UCD is a policy that make effort to deliver products and service with Customer Satisfaction by having the point of view of a customer, understands, thinks and reflects to a design based on the international ISO 9241-210 standard .

Sharp established original UCD basic policy and 8 principals of UCD shared throughout company. Sharp reflects these policies on determining spec and design of products in process of product development with investigating customers' latent dissatisfaction and needs and repeat assessing and improving to develop products and services that are easy to use and appealing.

In addition Sharp also promotes the manufacture of products that take into consideration universal design based on UCD basic policy, so many more Customers , irrespective of the nationality, the age, the gender, with or without handicap, can comfortably use its products and services.

As of June 2016, 136 models of 17 Sharp products had been recognized as universal design home appliances by the Association for Electric Home Appliances in Japan.

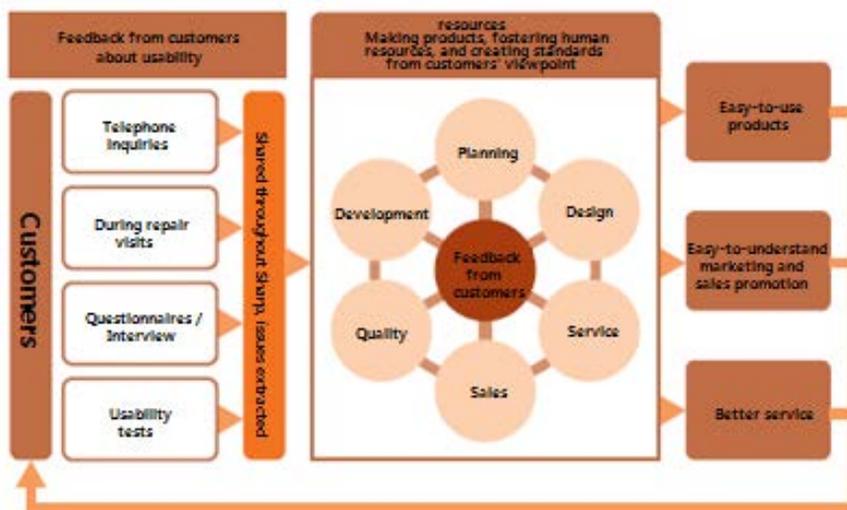


Usability test

#### Investigating Customers' Dissatisfaction and Needs and Reflecting Them in Product Design

In order to deliver products that customers find easy to use, Sharp compile customer`s feedback by various way to create products . Feedback received from customers during telephone assistance at the Customer Assistance Center, during repair service visits, and In questionnaires and interview and usability tests (observing how customers actually use Sharp products) is shared throughout the company, while protecting the anonymity of the customer. The feedback is used to understand, from a user's point of view, challenges related to planning, design, development, quality, sales, service, and other areas

Sharp also actively fosters human resources through training and creates assessment standards for supporting manufacturing from the user's point of view in order to conduct these activities continually on company-wide .



## Social Activities : Shareholders and Investors

### Communicating with Shareholders and Investors

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<p>■ Enhance IR communications by Sharp executives</p>	<p>■ Continued visits to overseas institutional investors, participated in conferences ,started telephone conference with overseas institutional investors after announcement of financial results.</p>	○
<p>Priority Objectives for Fiscal 2016</p>	<p>■ Increase conference participation to strengthen information transmission</p>	
<p>Medium-Term Objectives (up to Fiscal 2017)</p>	<p>■ Continue to enhance information disclosure to shareholders and investors and improve communications through various IR initiatives</p>	

Sharp is making effort to disclose information adequately as well as enhancing its communication with shareholders and investors through general shareholders’ meetings and IR (investor relations) activities within Japan and abroad that respond to diversifying needs.

In fiscal 2015, Sharp’s IR activities included one-on-one meetings with institutional investors and analysts, briefings on financial results, visits to overseas institutional investors by Sharp executives, and participation in conferences sponsored by securities companies. Detailed financial information was disclosed in IR documents that included summaries of financial results and presentation materials. Moving forward, Sharp will disclose information designated under the laws and regulations of Japan, and it will also actively disclose other information, such as business overviews and management policies.

Sharp holds ordinary general shareholders’ meetings earlier than many other Japanese companies, sends out early notices of the meetings and discloses notices of meetings before sending. It also strives to create an environment that enables shareholders to easily exercise heir voting rights. Efforts include participating in an electronic voting platform (for institutional investors), posting English notices about the meetings on its website, and allowing shareholders to exercise voting rights by computer and cell-phone. Sharp strives to provide the accurate information that shareholders need to make appropriate decisions.

### Preventing Insider Trading

Sharp has effectuated regulations restricting insider trading, established 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, auditors, 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.

### SRI (Socially Responsible Investment)

As of July 2016, the following SRI ratings agencies had given Sharp a favorable CSR rating or included Sharp in their SRI indices.

- FTSE4Good Global Index (UK)



- STOXX Global ESG Leaders Index (Switzerland)



- Morningstar Socially Responsible Investment Index (Japan)



## Social Activities : Efforts Related to Human Rights

### Guiding Principles

The Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct stipulate that Sharp respects human rights and the characteristics in all business activities

#### ◁ Excerpt from the Sharp Group Charter of Corporate Behavior ▷

The Sharp Group respects fundamental human rights and does not engage in discriminatory actions or human rights violations in any of its business activities. The Sharp Group does not sanction child labor or forced labor.

#### ◁ Excerpt from the Sharp Code of Conduct ▷

- 1) We respect—and will not violate—fundamental human rights and the dignity of individuals in all business activities. If it becomes evident that any of our business activities, products, or services has a negative impact on human rights, we will take corrective action.
- 2) We do not allow child labor or any form of forced labor, and we support initiatives for the effective abolition of such labor practices.
- 3) With respect to all corporate activities—including employment practices concerning recruitment, salary, promotion, and training opportunities—we do not discriminate based on nationality, race, ethnic group, color, sex, health status, 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 will refrain from all unacceptable acts and behavior, including any kind of abuse, mocking, verbal insult, sexual harassment, or power harassment.
- 5) On the basis of international standards and applicable laws, we respect employees' right to the freedom of association—for example, their right to join a union, carry out protests, participate in workers' councils, and the like—without being subjected to retaliation, intimidation, or harassment.

### Activities Related to Respect for Basic Human Rights and Personal Dignity

In Japan, Sharp continuously carries out human rights education activities, one example being human rights training conducted annually at each site. (A total of 18 sessions were held in fiscal 2015). Sharp also gives newly appointed heads of overseas bases booklets covering such topics as respect for human rights. Overseas, Sharp promotes human rights protection at each site in line with local laws.

### Good Labor-Management Relationship through Dialogue

Sharp respects employees' right to organize and the right of collective bargaining based on the laws of each country or region and works to strengthen its trusting relationships with labor unions.

In Japan, Sharp holds monthly meetings with labor-management heads. These include the Central Labor-Management Council, which involves top executives from both sides, and local labor-management meetings at each site and affiliate, where opinions are exchanged on business conditions and on labor-management issues pertaining to the work environment.

In Europe, Sharp holds European Works Council meetings every year to review 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.

# Social Activities : Human Resource Development

## Personal system

### Human Resource Development

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>Steadily implement human resource development measures                             <ol style="list-style-type: none"> <li>Nurture future executive leaders</li> <li>Conduct job-level-specific stratified training</li> <li>Develop global human resources</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Steadily implement human resource development measures                             <ol style="list-style-type: none"> <li>Conducted training to develop future executive leaders to supervisors</li> <li>Conducted to managers and younger employees</li> <li>Develop global human resources</li> </ol> </li> </ul>	○
<p>Priority Objectives for Fiscal 2016</p>	<ul style="list-style-type: none"> <li>Reconstruct measures for human resource development to recovery of company                             <ol style="list-style-type: none"> <li>Reconstruct systems for human resource development</li> <li>Challenge to new measures</li> <li>Construct measures to enhance language skill (English and Chinese) autonomously</li> </ol> </li> </ul>	
<p>Medium-Term Objectives (up to Fiscal 2017)</p>	<ul style="list-style-type: none"> <li>Reconstruct functions for human resource development                             <ol style="list-style-type: none"> <li>Corporate human resource development functions and structures</li> <li>Human resource development functions and structures according to each business division.</li> </ol> </li> </ul>	

## Personnel, Education, and Training Systems That Respect Employee Initiative and Diversity

Sharp has implemented a variety of personnel, education, and training systems that respect initiative and diversity and that are designed to develop the character, motivation, and creativity of each employee.

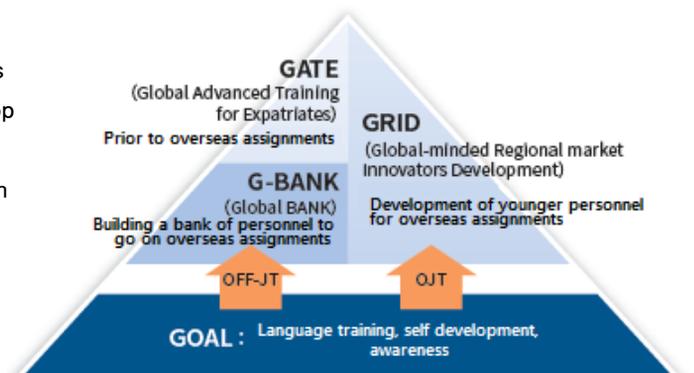
## Next-Generation Executive Leader Training, Expert Training, and Job-Level-Specific Stratified Training

The Sharp Leadership Program targets younger employees in semi-managerial or supervisory positions, with the objective of systematically nurturing executive leaders. The Challenge Course, for younger employees in semi-managerial positions, is intended to enable early promotion of younger personnel. In addition, Sharp provides Expert Training to develop technical and sales experts and Job-Level-Specific Stratified Training to give systematic training in the knowledge, skills, and management techniques required at each stage after joining the company.

## Global Human Resource Development

As management becomes more globalized, it becomes increasingly necessary to foster personnel who can actively communicate with people of different cultures and values as well as make use of those differences. In an effort to develop personnel who can work actively in the global field while making the most of diversity, Sharp has established a human resource and education system based on the 4Gs (Global formation)—GATE, G-BANK, GRID, and GOAL.

□ Global formation of SHARP's Human Resource Development



# Social Activities : Personal system Diversity Management

## Personal system

### Talent Development and Motivation-Boosting Programs

#### ◇ 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. By reviewing the database and various past job experiences, Sharp rotates employees to the multiple types of fields and for them to foster broad scope of expertise.

#### ◇ 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 250 qualifications, including some for field-specific techniques and skills, some directly related to daily duties, and some for language skills—essential in the development of globally minded employees.

#### ◇ Award System

Sharp honors domestic and overseas employees and divisions/departments that have achieved outstanding performance. In fiscal 2015, approximately 50 awards were presented to about 3,300 employees.

## Developing Diversity Management

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>■ Continue to strengthen efforts at diversity inclusion                             <ul style="list-style-type: none"> <li>▶ Continue to strengthen and promote various measures to raise the rate of female managers to 5% by fiscal 2018</li> <li>▶ Increase female recruits: aim to hire new female recruits at a rate of 50% for business (clerical) work and 10% for technical work</li> <li>▶ Maintain 2.3% employment rate for the physically or mentally challenged</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Strengthen efforts at diversity inclusion                             <ul style="list-style-type: none"> <li>▶ Rate of female managers 2.6% as of April 1, 2016 (up from 2.5% as of April 2015)</li> <li>▶ New female recruits in fiscal 2016 at a rate of 58% for business (clerical) work and 15% for technical work</li> <li>▶ Maintained targeted employment rate of 2.3% for the physically or mentally challenged as of June 2016 with rate of 2.39%</li> </ul> </li> </ul>	○
<p style="text-align: center;"><b>Priority Objectives for Fiscal 2016</b></p>	<ul style="list-style-type: none"> <li>■ Promote measures based on action plan of the law to promote the active engagement of women in society</li> <li>■ Maintain the targeted employment rate for the physically or mentally challenged</li> </ul>	
<p style="text-align: center;"><b>Medium-Term Objectives (up to Fiscal 2017)</b></p>	<ul style="list-style-type: none"> <li>■ Expand and enhance promotion activities for non-Japanese employees in Japan, physically or mentally employees, elderly employees, and others</li> <li>■ Promote measures based on action plan of the law to promote the active engagement of women in society</li> <li>■ Maintain the targeted employment rate for the physically or mentally challenged</li> </ul>	

# Social Activities : Diversity Management

## Concepts Underlying the Diversity Program

- 1) Diversity management is a human resources strategy for utilizing a diverse range of employees; it is also a business strategy.
- 2) At Sharp, diversity is built upon the company's business philosophy.
- 3) Formulate and pursue programs aimed at capitalizing on the unique individual attributes of various employees—including women, non-Japanese employees in Japan, the physically or mentally challenged, and retirees—and promote their active participation in the company.
- 4) Consistently promote diversity.
- 5) As a foundation for promoting diversity, strive to ensure that systems supporting the balance between work and family life become widespread and take root.
- 6) Work to build a corporate environment that accepts diversity.



## Promoting Activities of Female Employees

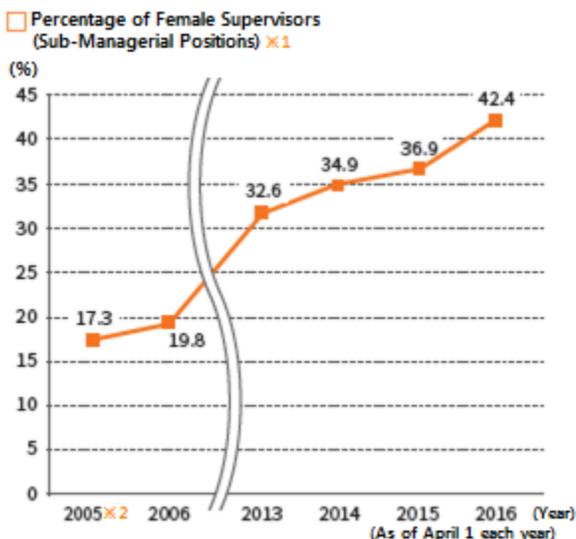
Sharp developed action plan based on the law to promote the active engagement of women in society enforced on April 2016. In addition sharp work positively to promote further participate of female employees to provide better products and service for social contribution by improving the female ratio in all job categories as well as increasing the female manager.

<Measures> (By end of fiscal 2018)

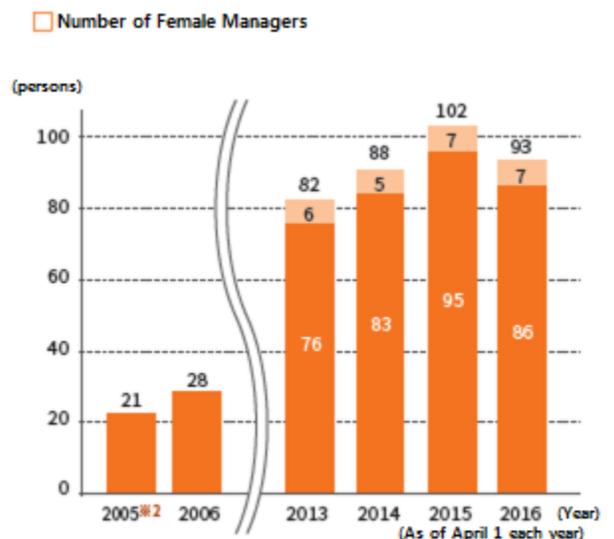
- More than 5 % of female ratio of the manager
- More than 20 % of employee ratio of working flexible style

## Expanding the Duties of Female Employees

In fiscal 2014, as part of its effort to promote diversity within the company, Sharp launched the “Eijo Program,” which provides strategic training for female sales personnel. In 2015 sessions to increase sales skill and networking event with senior employees and new employees were held to build network across the departmental.



※1 Sharp Corporation only  
 ※2 Corporate Affirmative Action for Women Strategy Program started in 2005



Sharp Corporation Employees temporarily transferred to affiliated companies within Japan and overseas

## Social Activities : Diversity Management

### Sharp Corporation Personnel Composition

(persons)

		Male	Female	Total
Directors, auditors		17	1	18
Employee	Executive officers	12	0	12
	Managers	2,501	86	2,587
	Sub-managers	5,992	631	6,623
	General staff (fiscal 2016 new employees)	4,595 (79)	771 (39)	5,366 (118)
	Subtotal	13,100	1,488	14,588
Total		13,117	1,489	14,606
Ratio		89.8	10.2	100.0

(As of April 1, 2016)

### Percentages of Men and Women Working at Major Overseas Subsidiaries

(%)

Base		Directors / Managers		Non-supervisory employees (permanent employees)		Total	
		Male	Female	Male	Female	Male	Female
SEC (US)	Sales / Manufacturing base	83.8	16.2	67.5	32.5	71.8	28.2
SEE (UK)	Sales / Manufacturing base	85.7	14.3	72.9	27.1	76.5	23.5
SEID (Indonesia)	Sales / Manufacturing base	84.9	15.1	66.6	33.4	67.5	32.5
SATL (Thailand)	Manufacturing base	87.2	12.8	29.4	70.6	30.6	69.4
SMM (Malaysia)	Manufacturing base	71.4	28.6	38.4	61.6	45.0	55.0
SESC (China)	Sales base	76.8	23.2	54.0	46.0	58.0	42.0
SOCC (China)	Manufacturing base	89.6	10.4	29.6	70.4	32.8	67.2
NSEC (China)	Manufacturing base	66.2	33.8	61.9	38.1	62.2	37.8
WSEC (China)	Manufacturing base	65.6	34.4	39.8	60.2	41.7	58.3

(As of March 31, 2016)

## Supporting Female Employees Returning from Childcare Leave

To support employees returning from childcare leave, Sharp held a reinstatement support seminar in fiscal 2014, which was designed to encourage temporarily departed employees to recall their working frame of mind. The seminar involved an explanation of the company's current circumstances and various support systems concerning childbirth and nursing. As well, female employees who had earlier returned to work after taking childcare leave shared their experiences and provided advice on how to balance work and child rearing. Attendees were also given the opportunity to build networks with other working mothers in order to resolve anxiety about returning and support for work actively.

## Promoting Childcare Leave for Male Employees

To create a more employee-friendly workplace, Sharp has made efforts to establish a support system and environment in which both male and female employees can participate in child rearing. In light of Japan's low birth rate, diversifying work and life styles, and increase in double-income households, Sharp has revised its childcare leave system to promote child rearing by male employees. As a result, for the past three years, approximately 150 male employees per year have taken childcare leave so that they could take part in child rearing. Sharp will continue to support its employees' active participation in childcare and in family life with their children.

## Social Activities : 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 2016, there are approximately 120 non-Japanese employees from 20 countries (including Canada, Serbia, Peru, Rwanda, and China) working in various departments.

### Reemployment of Retirees

From 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.

Sharp reviewed its standards in response to the revised Stabilization of Employment of Older Persons Act, which came into effect in April 2013. Sharp now reemploys, until the age of 65, any interested employees who have reached the mandatory retirement age of 60.

### Promoting Employment of the Physically or Mentally Challenged

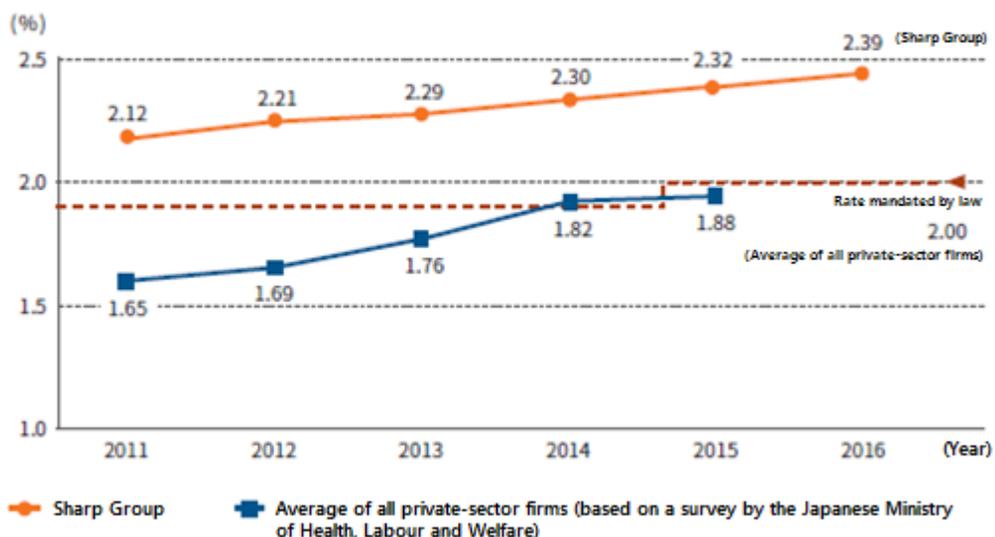
Ever since Sharp founder Tokuji Hayakawa established the "accumulation of community service" as one of the "Five Accumulations of Competency," ※ Sharp has been actively involved in social service and welfare. The entire Sharp Group makes efforts to promote the employment of the physically or mentally challenged and to create a better work environment for these employees.

Specifically, Sharp launched a recruitment website addressing the employment of physically or mentally challenged people. This website contains information on initiatives to hire such individuals to work in the Sharp Group. Sharp is also striving to make the company an easier place to work, through the use of support measures such as PC note-taking (a method for conveying audio information by entering it into the keyboard of a PC) during training sessions attended by hearing-impaired participants.

In fiscal 2015, there are approximately 350 challenged employees and Sharp Group (including affiliated companies) employed met its goal for the percentage of physically or mentally challenged employees by maintaining the 2.3% level. As of June 1, 2016, that percentage was 2.39%, exceeding the 2.0% rate mandated by law (as stated in the Act for Employment Promotion etc., of Persons with Disabilities).

※ Accumulation of trust, accumulation of capital, accumulation of community service, accumulation of human resources, and accumulation of trading partners

#### □ Physically or Mentally Challenged Employment Rate in Japan



## Social Activities : Activities to Support Work-Life Balance

In line with its promotion of diversity, Sharp supports its employees by creating a rewarding, safe, and healthy workplace. Sharp gives employees a choice of work styles—allowing them to select the style that best suits them at various stages in their lives—thereby helping them achieve a work-life balance that will enable them to lead rich lives both at work and at home. Specifically, Sharp is expanding support programs focusing on childcare and nursing care and distributing guidebooks and providing other information to promote use of the programs. In addition, to help employees realize an efficient working style that offers satisfaction both at the company and at home, Sharp continuously promotes initiatives like No Overtime Day and encourages employees to plan for and take their annual paid vacation days. These efforts have earned high appraisal from outside the company, with Sharp receiving certification from the Japanese Ministry of Health, Labor, and Welfare based on the Act on Advancement of Measures to Support Raising Next-Generation Children.



Work-Life Balance Guidebook and Nursing Care Guidebook

### Work-Life Balance Support Programs (Main Programs and Participation at Sharp Corporation)

Program Name	Description	Participation (year and no. of persons)		
		Fiscal 2013	Fiscal 2014	Fiscal 2015
Childcare Leave <sup>※</sup>	Allows a leave of any length until the last day of March following the child's first birthday or until the child is 18 months old. (In 2013–2014, 99.5% of those who took childcare leave returned to work.) <Childcare assistance grants> 1) The 10-day period beginning at the start of the childcare leave period is treated as a period with pay. 2) An allowance of 60,000 yen a month is provided during the leave period (excluding the 10-day period when salary is paid).	223 (Men:161)	208 (Men:162)	195 (Men:129)
Reduced-Hours Employment During Childbearing/Childcare	A system by which an employee can reduce work time for a maximum of three hours per day (in units of 30 minutes) during pregnancy. Also allows a female/male employee the same reduced-hours employment system until the last day of March after her/his child has reached the sixth year of elementary school.	33	34	24
Childcare Support Work Program	Allows flexible work schedules (work day start and end times) until the last day of March after the child has reached the sixth year of elementary school. This allows an employee to shorten working hours up to an average of three hours per day in one-hour units.	454	465	426
Nursing Care Leave <sup>※</sup>	Allows an employee to take leave to care for a family member requiring nursing care for a total of two years (can be divided up).	7	9	8
Nursing Care Support Work Program	Allows flexible work schedules (work day start and end times) for nursing care, as needed. Employee can shorten working hours in one-hour units up to an average of three hours per day.	4	7	5

<sup>※</sup> Personnel evaluations conducted while an employee is on childcare leave or nursing care leave will never work against the employee in terms of receiving a raise or promotion

Other Programs	Multipurpose Leave, Multipurpose Leave Taken in One-Hour Units (or half-day units), Staggered Commuting Hours during Pregnancy, Guaranteed Reemployment after Childbearing/Childcare, Reemployment after transfer to another country of spousal, Paternity Leave, Daycare Adaptation Leave, Reemployment after Nursing Care, Reduced-Hours Employment or Reduced Weekly Working Days for Nursing Care, Subsidies for Families of Single Employees Conducting Nursing Care, Travel Expense Subsidies for Single Employees Returning Home for Nursing Care, Nursing Care Leave (or half-day units), Nursing Leave (or half-day units), Home Helper Expense Subsidies, Leave of Absence/Increasing Half-Day Use of Annual Paid Holidays for Fertility Treatment, Fertility Treatment Financing System, Reduced-Hours Employment for Career Development Support, Volunteer Leave.
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## Social Activities : Promoting Occupational Safety and Health

### Promoting Occupational Safety and Health

**\*Self evaluation:**

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>■ Reduce work accidents, equipment and environmental accidents, and company car accidents</li> <li>■ To reduce mental problems and illnesses, strengthen and promote measures to deal with their possible causes, such as long work hours and power harassment</li> <li>■ Make "Healthy Sharp 23" (name of program with targets and measures for employee health by the end of 2023) an integral part of the workplace, build systems and promote concrete measures</li> </ul>	<ul style="list-style-type: none"> <li>■ Work accidents same number , while company car accidents decreased</li> <li>■ Deliberated in a Labor-Management Committee on Working Style Reform through cooperation between labor and management about measures to reduce long working hours and initiatives to eradicate power harassment</li> <li>■ Increased awareness of the Healthy Sharp 23 initiative and promoted specific measures</li> </ul>	△
<p style="text-align: center;">Priority Objectives for Fiscal 2016</p>	<ul style="list-style-type: none"> <li>■ Reduce work accidents, equipment and environmental accidents, and company car accidents</li> <li>■ Reduce loss of working days due to mental problems and illnesses</li> <li>■ Review a promotion structure for health management and conduct initiatives based on Healthy Sharp 23 goals</li> </ul>	
<p style="text-align: center;">Medium-Term Objectives (up to Fiscal 2017)</p>	<ul style="list-style-type: none"> <li>■ Eliminate accidents resulting in lost workdays</li> <li>■ By the end of fiscal 2017, reduce by 10% or more (compared to fiscal 2013) the total number of sick leave days taken due to mental problems and illnesses</li> <li>■ Establish a health management promotion structure</li> <li>■ Achieve Healthy Sharp 23 numerical targets (reduce the percentage of employees who have a BMI of 25 or higher to 23.3%, smoking rate to 21.7%, and achieve a regular exercising rate of 28.3%)</li> </ul>	

### Sharp 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.

### Organization Promoting Safety and Health

Sharp promotes fully implement of the health of its employees and their families measures in addition to its framework on safety and health activities. In order to show Sharp's resolve, the Central Safety and Health Committee was renamed the Central Safety, Hygiene, and Health Committee.

### Aiming for a Secure, Safe, and Healthy Workplace

In order to ensure that activities for the maintenance and improvement of safety, hygiene, and health go smoothly at each business location, Sharp holds Central Safety, Hygiene, and Health Committee meetings that bring the company and the labor union together to decide basic measures for safety, hygiene, and health from a company-wide perspective. The Committee formulates annual company-wide policies and basic measures, and promotes the implementation of these measures at business locations. It has also organized a team consisting of Central Safety, Hygiene, and Health Committee members to conduct safety and health inspections at each site.

## Social Activities : Promoting Occupational Safety and Health Social Contribution Activities

Safety, Hygiene, and Health Committee consisting of labor and management representatives at each business location holds a monthly meeting to report and discuss safety, hygiene, and health activities and decide on improvement measures. And Sharp is promoting the introduction of an occupational safety and health management system in an effort to further address the potential risk of accidents in the workplace and to firmly set in motion proactive safety activities that prevent or reduce risks. In order to help employees avoid mental illnesses or deal with them at an early stage and to support employees on medical leave in making a smooth return to work, Sharp in Japan has a counseling system with medical specialists or industrial counselors at main offices and plants.

Sharp's Business Philosophy says that it will contribute to the culture, benefit, and welfare of people throughout the world. To this end, Sharp teamed up "Healthy Sharp 23." to begin comprehensive support for the health of Sharp employees and their families. This program incorporates numerous activities aimed at achieving certain health targets by the end of March 2023. The result of these continuing measures is that the Sharp Group's ※<sup>1</sup> industrial accident rate (frequency rate of industrial accidents ※<sup>2</sup> leading to lost work time) in Japan in 2015 was 0.25. This rate is consistently below the ※<sup>3</sup> national average for the manufacturing industry.

※<sup>1</sup> Sharp Group in Japan: Sharp Corporation, SEMC, SEO, SESJ, SBS, SEK, SMS, STC, iDeep Solutions

※<sup>2</sup> Indicator that represents the incidence of industrial accidents per million work hours (one day or more of suspended operations)

※<sup>3</sup> Averages for all industries and the manufacturing industry are based on a survey by the Japanese Ministry of Health, Labor, and Welfare.

## Promoting Social Contribution Activities

\*Self evaluation:

◎ Achieved more than targeted / ○ Achieved as targeted / △ Achieved to some extent

Fiscal 2015 Objectives	Fiscal 2015 Achievements	Self evaluation*
<ul style="list-style-type: none"> <li>■ Holding dialogues with local communities</li> <li>■ Participating in local social contribution activities as the Sharp Group</li> </ul>	<ul style="list-style-type: none"> <li>■ Systems established and promoted for holding dialogue with local communities .</li> <li>■ Number of social contribution activities maintained and promoted new activities</li> </ul>	○
<p>Priority Objectives for Fiscal 2016</p>	<ul style="list-style-type: none"> <li>■ Penetrate ,establish and provide feedback at domestic production bases</li> <li>■ Establish systems at sales sites</li> </ul>	

## Basic Concept of Social Contribution Activities

Sharp also carries out activities led by Sharp Green Club (SGC), a volunteer organization composed of Sharp and its labor union. This group pursues environmental conservation activities at domestic business sites and sales and service bases in Japan. The group 's activities include the following: Sharp Forest projects conducted in 8 areas to protect biodiversity and regenerate *satoyama* (areas that lie between the foot of a mountain and arable land); efforts to protect wetlands in accordance with the Ramsar Convention ; and other activity planning in 4 areas. In fiscal 2015, a total of 1,096 such activities were conducted with the participation of about 21,000 people. Looking ahead, Sharp will continue to contribute to local areas by conducting community-based activities.

Since fiscal 2012, Sharp Corporation and Sharp Tokusen Industry Co., a Sharp special subsidiary ※<sup>4</sup>, have been working together to enhance career education activities conducted at special-needs schools and similar organizations for physically or mentally challenged students. The aim of these activities is to foster a career-minded perspective in students and motivate them to work and achieve greater self-sufficiency. By March 2016, around 2,300 pupils had attended classes at around 110 schools.

※<sup>4</sup> A subsidiary that has made special efforts supporting the employment of challenged people, as defined in Japan's Act on Employment Promotion, etc. of Persons with Disabilities (e.g. improving facilities where the physically or mentally challenged work).

## Social Activities : Social Contribution Activities

### Social Welfare Activities and Employee Volunteer Activities

#### Providing Sales Opportunities for Vocational Training Center Products

Sharp works with local governments and non-profit organizations to provide opportunities on its premises for the sale of products, such as bread and cookies, made at vocational training centers for the disabled located in communities near Sharp facilities. In fiscal 2015, such sales took place at 14 locations throughout Japan, with the participation of a total of 371 facilities.

#### Community-Based Activities

Based on the three points listed below, Sharp works to create an environment where each and every employee can actively participate in community-based social action programs and volunteer activities:

1. Establishing volunteer leave and other company systems
2. Establishing the Sharp Green Club (SGC) volunteer organization as a joint effort between labor and management
3. Providing employees opportunities to participate in volunteer activities in coordination with NPOs and other third-party organizations

### Communicating with Local Communities

Sharp think social contribution activities to repay gratitude to local communities are very important since they pass on founder's gratitude and his DNA of creativity. The bonds that we are able to establish by working with local residents and holding dialogues to address various social issues are an irreplaceable asset when we carry out our business activities.

In continuing these activities, Sharp was awarded by local government at several sites in 2015.

- Sharp Corporation Mie Plant/Kameyama Plant  
Ministry of the Environment : Excellence Prize, 19th Environmental Communication Awards  
Mie Prefecture : Mie Environmental Awards
- Sharp Corporation Mie Plant  
Ministry of Land, Infrastructure, Transport and Tourism : Incentive award 30th Handmade Hometown Prizes
- Sharp Corporation Kameyama Plant  
The National Land Afforestation Promotion Organization : National forest development festival chairman's Award
- Sharp Corporation Hirano office  
Osaka city : For Fiscal Year 2015: Award for Person with Distinguished Service in Beautification of Roads, Rivers and Parks & Group Award for Distinguished Service in Collecting Recyclable Materials

## Corporate Profile

Sharp's business activities comprise "electric and electronic application equipment" (i.e., end-user consumer products and information electronics) and "Electronic Components" (i.e., key components of electronic products). By undertaking the development both of key devices based on proprietary technologies and of products in which these devices and technologies are applied,

Sharp aims to inspire and impress its customers. The company is working actively to develop its business by pioneering new markets and by bringing forth never-before-seen, uniquely featured products and devices.

- ◇ Corporate Name :Sharp Corporation
- ◇ Head Office :1 Takumi-cho, Sakai-ku, Sakai City, Osaka  
590-8522, Japan Tel. +81-72-282-1221
- ◇ Representative :Tai Jeng Wu, President & Chief Executive Officer
- ◇ Founded :September 15, 1912
- ◇ Capital Stock :5 billion yen (as of August 12, 2016)
- ◇ Employees :Consolidated: 43,064
  - Japan: 19,522(Sharp Corporation 13,897  
/ other Consolidated 5,625)
  - Overseas: 23,542 (Consolidated)  
(as of September 30, 2016)
- ◇ Operations :Mainly manufacturing and sales of telecommunications  
equipment, electric and electronic application  
equipment, and electronic components.

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