



# Sustainability Report 2023

Sharp NEC Display Solutions, Ltd.

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Sharp NEC Display Solutions is responsible for the visual solutions business around display devices.

Today, display devices permeate our daily lives, spanning from information displays at railway stations and airports, promotional displays in stores and shopping malls, projection mapping at events and theme parks, to even safety applications that monitor the infrastructure to make our lives safer and more comfortable. Crisp high-quality displays from Sharp NEC Display Solutions have won the trust and high reputation of customers in more than 120 countries and regions around the world.



Sharp NEC Display Solutions, Ltd.  
President Toshiaki Yamamoto

In modern society, where information and communications technology continues to advance, the need for “Visual Solutions” to transmit and share digitalized information will be greater than ever in both business and daily life. There will be many more opportunities to use display devices and visual solutions like multi-language guide display, contents display by customer demographic analysis and warning display system through video analytics.

In addition to our own developed technological capabilities and global structure, we generate synergy with Sharp Group’s strong assets such as key components and IWB, together with future development strategies such as 8K and AIoT and we accelerate realizing to be a “Global Display Solutions Provider”.

As a “Global Display Solution Provider”, Sharp NEC Display Solutions is committed to delivering crisp image and visual solutions to meet the diverse needs of all of its customers.

## Corporate Philosophy

We provide high quality imaging solutions that impress and satisfy our customers.

## Corporate Vision

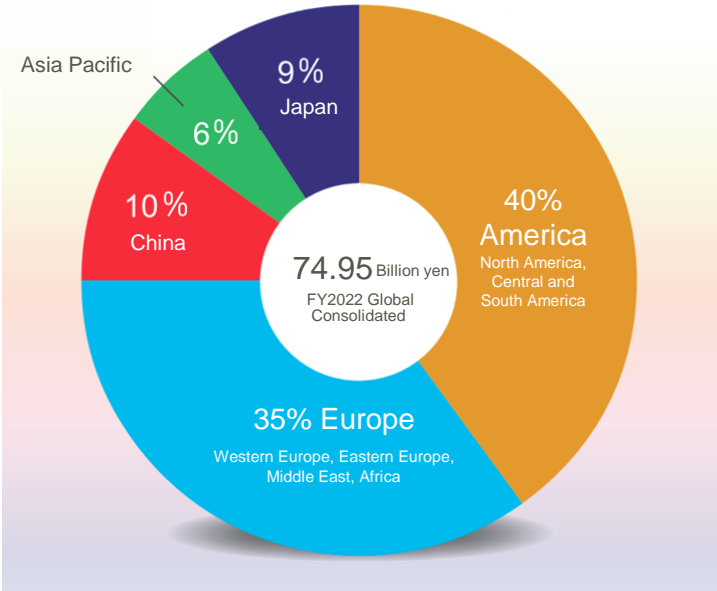
We connect "people, hearts, and places worldwide" by enhanced images and create a new, inspiring daily life.

## Management Policy

- We will be a company that earns the continuous confidence of all stakeholders.
- We will provide optimum quality products and services all over the world by using state-of-the-art technologies and the highest level of knowledge in all parts of the value chain.
- We will consistently strive to create new markets and expand business activities.
- We will fulfill our corporate responsibility in all situations and continuously adapt to changing environments.
- We will work to establish positive corporate ethics and ensure compliance, as well as protect the environment, as a good corporate citizen.
- We will give our best efforts to develop human resources and individual capabilities in order to enhance the growth of both the company and individuals.

Company Name	Sharp NEC Display Solutions, Ltd.
Head Office	Mita Kokusai Building, 4-28, Mita 1-chome, Minato-ku, Tokyo 108-0073 Japan
Capital	3.0 billion yen (jointly invested by Sharp Corporation and NEC Corporation)
Business Field	Development, manufacturing, and sales of visual display products and visual display solutions
Employees	Approximately 800 (Global consolidated)
Establishment	January 18,2000
Commencement (Company Name Change)	November 1,2020
Net Sales	74.95 billion yen (Global consolidated sales for the fiscal year ended March31, 2023)
Percentage of Sales by Global Market	40% America 35% Europe 10% China 6% Asia Pacific 9% Japan
Development Facilities	Shonan Technical Center, Kanagawa, Japan
Overseas Affiliates	Sharp NEC Display Solutions of America, Inc. (USA) Sharp NEC Display Solutions Europe GmbH (Germany)
Regional Headquarters in China	Sharp NEC Display Solutions (China), Ltd. (Shenzhen, China)

Percentage of Sales by Global Market



(As of March 31,2023)

Handled products differ by region. Please see our website for details.

<https://www.sharp-nec-displays.com/global/products.html>



## Standard models

Whilst compact, this range also features high image quality and energy saving. Excellent for easy connectivity, installation, adjustment and operation.



## Short-throw projectors

Short-throw projectors that enable large-screen projection, suitable for small conference rooms where the projection distance is not sufficient.



## Professional models

Multi-functional projectors for large spaces, easy to use in bright conference rooms and classrooms, meeting a wide range of installation needs.



## DLP Cinema® Projectors

Cinema projectors with expressive power that conveys the texture of images, solid reliability in professional settings, and can be used in a variety of theaters.



## Large Format Displays

For digital signage, conferencing and meetings. Large screen displays that are highly reliable and durable, effective across a variety of industries and applications.



## Direct View LED Display

Full-color LED displays for indoor and outdoor use. Creates a large, seamless surface with vivid colors and high visibility even in bright environments.



## IT Display

A complete lineup tailored to different usage scenarios and purposes benefiting from advanced ergonomics and ease of use.



## Business PC Selection

To meet the diverse needs of our customers, we offer a wide variety of displays that can be selected from NEC's Business PC Selection Menu in Japan.









Today, display devices and solutions are used in a wide range of situations that require rich images, such as social infrastructure, business, education, and entertainment. In order for customers to use our products with peace of mind in a variety of situations, it is necessary to continuously address social issues such as respect for human rights, improvement of working conditions, promotion of health and safety, environmental initiatives, practice of fair trade, fostering a sense of ethics, and sound procurement practices through our business activities. In order to solve a wide range of social issues through sustainable management, we have identified the following materiality and are taking action on them.

## Contributing to society through rich images



## Creation of Environmentally-Friendly Products



## Promoting the Recycling of Industrial Waste



## Message from Sustainability Officer

Sharp NEC Display Solutions has customers in more than 120 countries and regions around the world, and has been working to solve different social problems in each region. In recent years, sustainability initiatives have been taken up as a common global issue. Therefore, we have decided to launch the Sustainability Working Group in Fiscal 2023 in cooperation with our overseas affiliates in Europe and other parts of the world, which are particularly advanced in terms of sustainability. The working group will be subdivided into promotion, quality and product planning to accelerate overall sustainability initiatives. In addition, we are working to address local social issues as a member of the communities where we do business. As a member of the community, we will contribute to the realization of a sustainable society in collaboration with our stakeholders.



Third-party Evaluations

Green Signage Award

In recognition of our efforts to extend the product lifecycle and continually instigate sustainability management initiatives, we received the Green Signage Award at the Digital Signage Summit in Munich in 2022.

(<https://www.sharpnecdisplays.eu/p/eeme/en/news/details/rp/2022/specialtopics/invidisgreensignageaward.xhtml>)



Startpage \ News \ Sharp/NEC wins Green Signage Award

Sharp/NEC wins Green Signage Award

Our practical, real-world approach to sustainability - providing display solutions which last longer, are recyclable, and can be refurbished to further extend the life cycle - has been commended by Invidis Consulting.

At the Digital Signage Summit held in Munich, Christof Boehm, Sharp/NEC sr. VP Engineering, QA and Service EMEA, received the award on behalf of the company.

Florian Rotberg, Managing Director for Invidis Consulting stated that Sharp/NEC is by far the most sustainable visual solutions provider in the industry.

*"We honoured the newly merged Japanese display manufacturer already at the end of last year, but we didn't have the opportunity to recognise Sharp/NEC in public. NEC - today Sharp/NEC - is by far the most sustainable visual solution provider in the industry. For more than a decade, NEC has been refurbishing projectors. For years, NEC offered the only global service program offering on-site swap regardless of which country the product was sold. Many competitors still require products to be sent halfway around the world to be repaired or exchanged. Even LCD-backlights and LEDs are repaired in Europe."*



Reuse, refurbish and recycle - Sharp/NEC is leading the industry in Green Signage.

[LEARN MORE](#) about how our durable and reliable technology is the mainstay of sustainability, and the reasons why Sharp/NEC is recognised as the most sustainable visual solutions provider in the industry.

Copyright photos: Invidis

Certified as an "Oi-machi SDGs Partner"

Sustainability initiatives at the Shonan Technical Center (Oi-machi, Kanagawa Prefecture) have lead to our certification as an "Oi-machi SDGs Partner" as we work together with the communities where we do business.

For details, please see the Oi-machi website.

(<https://www.town.oi.kanagawa.jp/uploaded/attachment/9230.pdf>)



**SUSTAINABLE DEVELOPMENT GOALS**

**SHARP/NEC**

シャープNECディスプレイソリューションズ株式会社

住所: 〒250-8522 神奈川県足柄上郡 大井町大字 688-1  
電話番号: 0465-421-2210 伝真番号: 0465-421-2211  
活動内容: 映像表示装置等の開発、製造、販売  
ホームページ: <https://www.sharp-nec-displays.com/jp/>

**めざすゴール**

当社は、パソコン等のモニター、駅・空港などの情報や商業施設の案内表示、プロジェクションマッピング、映画館で使用されるデジタルシネマや様々な用途から、安全で快適な生活を支えるためのソリューションを提供し、あらゆる映像表示装置および周辺機器を開発しています。

大井町で開発された製品は、世界130ヶ国を超える国と地域で、数多くのお客様から信頼と高い評価をいただいています。

**SDGsの取り組み紹介**

1. 資源効率型製品の開発【ゴール9、12、13】  
製品使用時の消費電力削減に取り組んでいます。また、新しい「環境性能をクリアする製品」を開発することで、環境負荷の削減を図っています。

2. 資源循環型の製品開発【ゴール12】  
映像表示装置には、金属部、樹脂部、プリント基板など、リサイクル可能な部品が多用されています。開発段階から資源の有効利用、再利用に取り組んでいます。

3. 廃棄物の削減【ゴール14、15】  
大井町や大井町駅とともに関係機関・自治体と連携し、資源の循環に取り組んでいます。また、映像表示装置によるバーチャル展示、森林保護の啓発にも取り組んでいます。





We have established an environmental policy based on the philosophy of contributing to the realization of a sustainable society.

Based on six specific action guidelines, we will strive to operate environmentally friendly business sites and design and develop environmentally friendly products and services.

## Environmental Policy

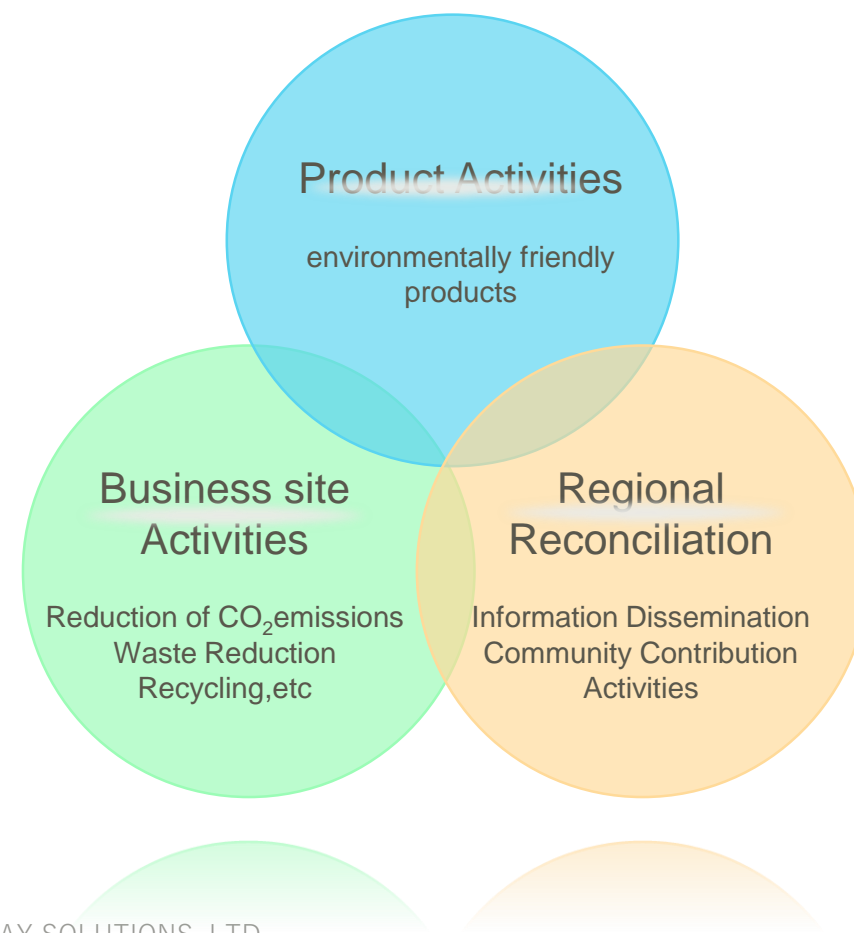
We consider the environment an important management issue, and we will contribute to the construction of a sustainable society by providing products and solutions with consideration to environmental issues.

## Action guidelines

1. We will promote business activities considering the environmental issues of green procurement, waste reduction, energy and resource saving, and the control of hazardous substances.
2. We will provide products considering the environmental issues of energy-saving design, hazardous substance control, and designs using the 3R concept.
3. With the environment management system, we will conduct appropriate environment maintenance activities and prevent pollution by consistently improving environmental load conditions.
4. We will communicate with society, through the active disclosure of information about the environment.
5. We will comply with not only all laws and regulations but also other environmental requirements.
6. We will provide the necessary educational training to ensure that all personnel observe this policy.

## Environmental Initiatives

As a system for putting our environmental policy into practice, we are working to contribute to the realization of a sustainable society based on "product activities" and "business site activities" under the leadership of the president.



Sharp NEC Display Solutions has established the following code of conduct for “Environment and Biodiversity” for CSR Management.

## **The Environment and Biodiversity**

### ■ Management of chemical substances contained in the products

We manage legally designated chemical substances for all of its products.

### ■ Management of chemical substances used in the manufacturing processes

We manage legally designated chemical substances in the country of operation that are used during the manufacturing processes.

### ■ Environment management system

We develop and manage an environment management system.

### ■ Minimization of environmental impact (drainage, sewage, emission fumes etc.)

We observe the laws and regulations concerning drainage, sewage and exhaust fumes of the country of operation, and set voluntary standards as needed to further improve the situation.

### ■ Environmental license / Government approval

We observe the laws and regulations of the country of operation, gain approvals from its government as needed and submit management reports required by the government without fail.

### ■ Effective utilization of resource and energy (3R)

We set a voluntary target to save resource and energy and continue efforts to utilize resource and energy in an effective manner.

### ■ Reduction of greenhouse gas emissions

We set a voluntary target to reduce greenhouse gas emissions and continue reduction efforts.

### ■ Waste reduction

We set a voluntary target to reduce final waste and continue reduction efforts.

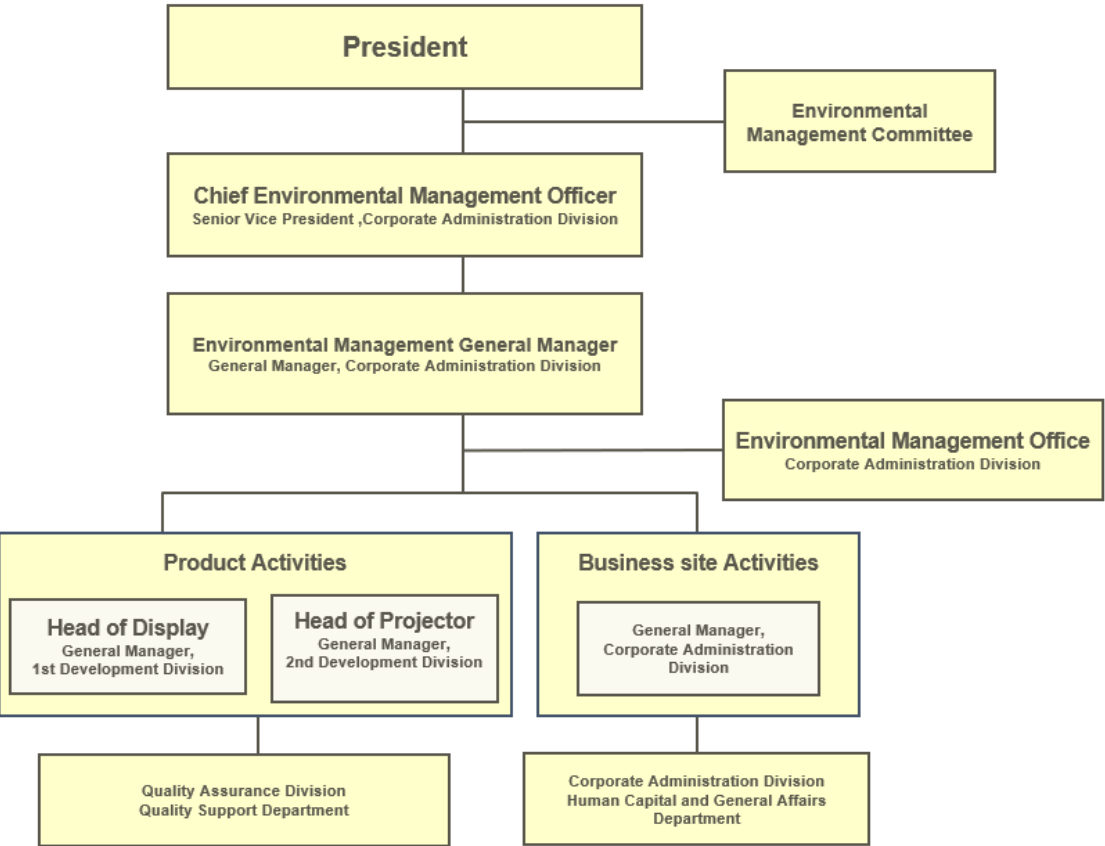
### ■ Disclosure of environmental conservation initiatives

We disclose the achievements of its environmental practices as needed.





## Environment Management Promotion



## Environmental ISO Certification Activities

We have gained ISO 14001, an international standard for environmental management systems. In 2020, Sharp NEC Display Solutions also underwent the examination standards of JQA(Japan Quality Assurance Organization),an external certification body, and have obtained certification. We will continue to undergo regular audits and work to advance our environmental management system.



## Changes in our environmental ISO

- 1997 NEC Shonan Technical Center gains ISO14001 certification
- 2007 NEC Display Solutions renews ISO14001 certification
- 2017 Revised ISO Compliance
- 2020 Sharp NEC Display Solutions gains ISO14001 certification

In our product activities, we set annual environmental management targets for our main products, displays and projectors, and carefully analyze the results.

In fiscal 2022, we set a goal of environmentally friendly design based on the Green Product (GP) Guidelines, and we were able to achieve the target value.

By fiscal 2023, we aim to further improve the environmental performance of our products and promote the achievement of higher targets for each evaluation item.

Index	Activities	Fiscal 2022 Targets and Results
Reducing environmental impact of products	Promoting environmentally friendly design	<p>GP points based on GP guidelines※ : 50pt or more</p> <p>⇒Achievements : ○For all target products (7 models), Achieve more than 50pt</p> <p>※Achievement of GP Guideline 7 Evaluation Items</p> <ol style="list-style-type: none"> <li>1.Energy Saving / Energy Creating</li> <li>2.Resource Conservation</li> <li>3.Recyclability</li> <li>4.Safe Use and Disposal</li> <li>5.Use of Green Materials and Devices</li> <li>6.Environmental Consciousness Pertaining to Batteries, packaging and manuals</li> <li>7.Products that show their environmental performance and information</li> </ol>
Eradication of newly banned substances	Compliance with legal requirements	<p>The EU REACH regulations : C9-C14 PFCAs</p> <p>The Swiss ORRChem Ordinance : PFHxS</p> <p>Confirmation of non-inclusion and 100% completion of substitution</p> <p>⇒Achievements : ○Confirmation of non-inclusion of target substances</p> <p>Discontinuation of production of some containing products</p>

Index	Activities	Fiscal 2023 Targets
Reducing environmental impact of products	Promoting environmentally friendly design	<p>GP points based on GP guidelines※ : 60pt or more</p> <p>※Achievement of GP Guideline 7 Evaluation Items</p> <ol style="list-style-type: none"> <li>1.Energy Saving / Energy Creating</li> <li>2.Resource Conservation</li> <li>3.Recyclability</li> <li>4. Safe Use and Disposal</li> <li>5.Use of Green Materials and Devices</li> <li>6.Environmental Consciousness Pertaining to Batteries, packaging and manuals</li> <li>7.Products that show their environmental performance and information</li> </ol>
	Response to Environmental Aspects	<p>Initiatives in Product Development</p> <ol style="list-style-type: none"> <li>①Saving power when using the product</li> <li>②Miniaturization and weight reduction (Optimization of the weight of large products)</li> <li>③Reduction of Virgin Plastic Usage</li> </ol>

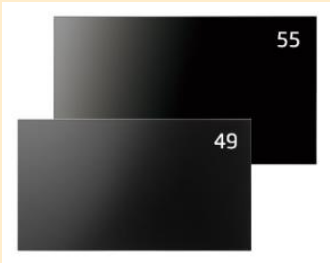
※) ○ : Achievement level of 100% , △ : Achievement level of 80% or more, ×: Achievement rate less than 80% ( Non-conformance in ISO14001 (Achievement rate:×) )

We will shift to product assessment based on Sharp environmental standards and promote the environmentally friendly design of our products.

For NEC brand products, we continue to design products that meet NEC product assessment standards.

## Eco Technology Display

### OUN series



#### Human Sensor

The internal human sensor automatically switches the screen on and off by motion detection. The screen automatically powers down when no one is present, which can reduce wasteful energy consumption.

#### Ambient light sensor

The internal sensor detects ambient brightness levels and automatically adjusts the screen brightness accordingly helping to optimise energy usage.

### OMA series



#### Auto Eco Mode

When there is no input signal, the display will automatically switch to hibernation mode, contributing to energy savings.

#### Carbon Meter

The carbon savings meter calculates the amount of energy saved by using Eco mode settings and converts it to display the amount of CO<sub>2</sub> savings.

### OM series



#### Products of the Green Purchasing Law

This applies to some products that meet standards for power consumption, specified chemical substances, etc.

## Eco Technology Projector

### OME / MC model



#### Eco Mode

The replacement interval of lamps is extended by reducing brightness slightly through setting modes, thus helping to minimize energy usage.

#### Standby Mode

Power consumption during standby can be reduced. This is useful in the case of ceiling installations where the mains power cannot be switched off.

### OP series



#### Eco-mark certification

Meeting the standards certified by the Japan Environment Association confirming a low environmental impact and contributing to environmental conservation.

### OPA series



#### Products of the Green Purchasing Law

This applies to some products that meet standards for power consumption, light source, supply period of maintenance parts and specified chemical substances, etc.

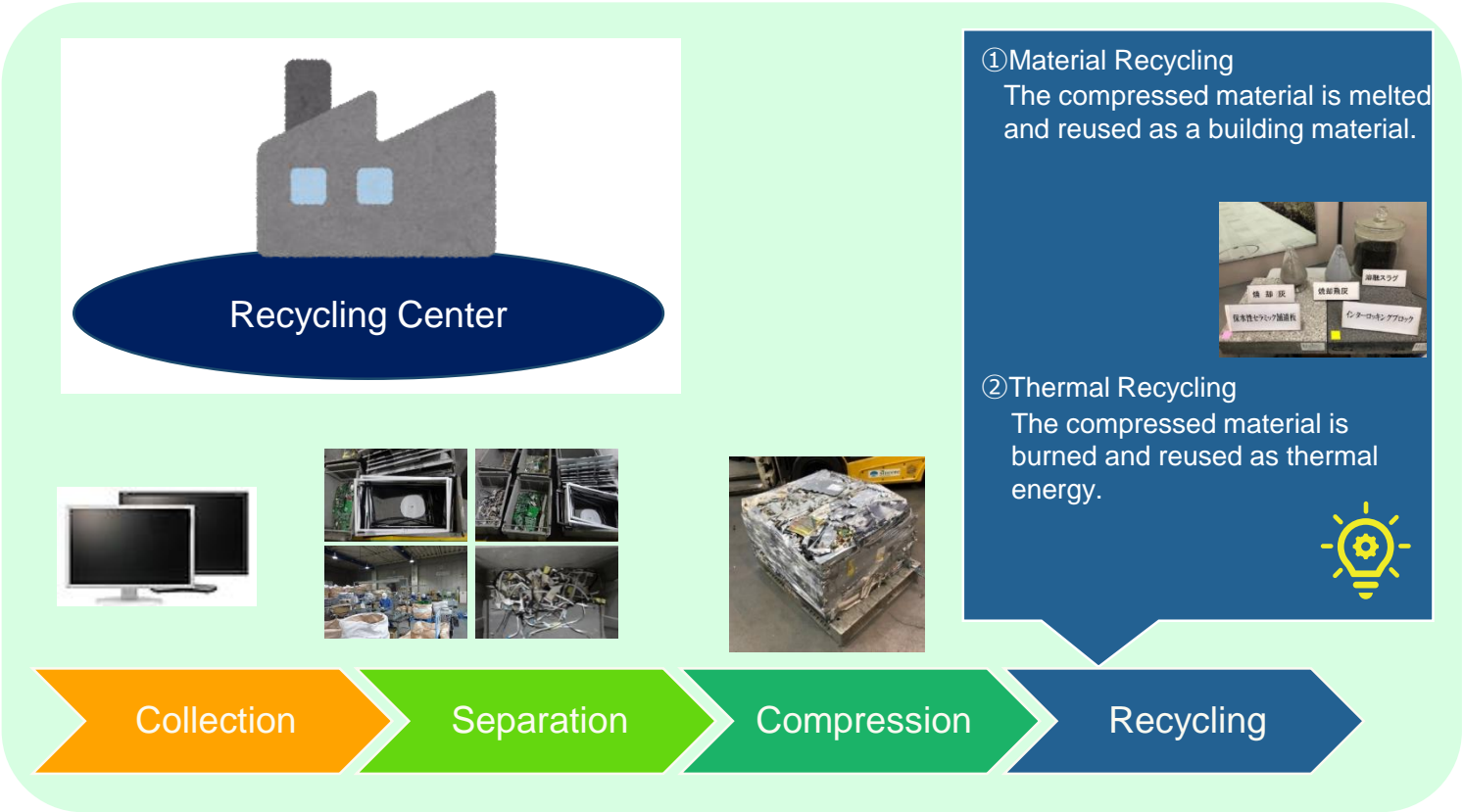
※The above model is an example. The functions provided differ depending on the model.

※The above models are not subject to GP guidelines.

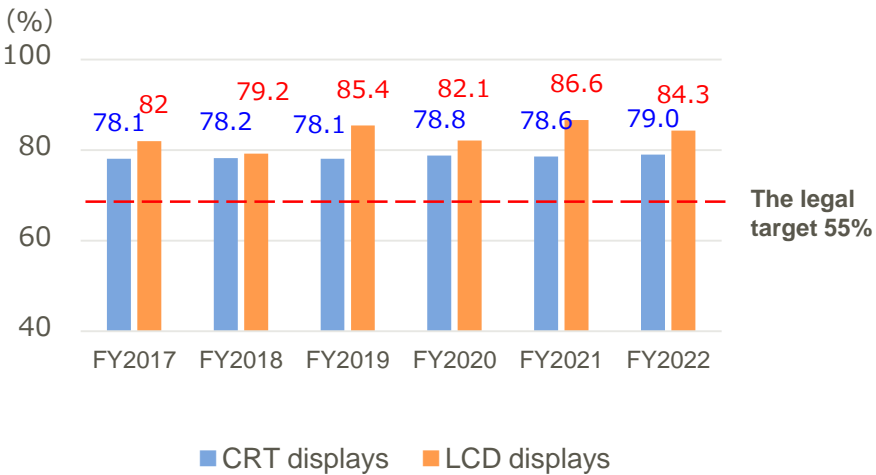


In Japan, we have established a recycling system for our used products and are promoting recycling based on the Act on Promotion of Effective Utilization of Resources. Products collected as discarded items are disassembled and recycled by material to make effective use of resources.

For details of the recycling system in Japan, please see our website.  
<https://www.sharp-nec-displays.com/jp/environment/recycle/index.html>



Trends in the resource reuse rate of our products



CRT and LCD displays, The legal target for resource reuse rate is 55% or more.

Promotion of Green Procurement

In order to aim for a sustainable society and provide environmentally friendly products, we are working on "green procurement," to prioritize the procurement and purchase of materials, parts, products, etc. with low environmental impact.

We conform to the Green Procurement Standards of Sharp Group and NEC Group. Please check our website for details.

<https://www.sharp-nec-displays.com/global/environment/supply/guideline.html>



To suppliers

We conform to Green Procurement Standards of Sharp Group and NEC Group.

- ▶ Sharp Group Standard
- ▶ NEC Group Standard

Declaration on Environmental Management

When entering into a business contact with a new supplier, we require them to implement our green procurement policy and to sign a declaration regarding their environmental management.

To: \_\_\_\_\_

Declaration of Environmental Management

I, on behalf of the company below, hereby declare the following three clauses and agree on Sharp NEC Display Solutions, Ltd. Green Procurement Guideline.

1. We understand the importance of environmental management, so that we establish the environmental management system and promote environmental activities.  
(Optional)  
If your company is certified ISO14001, please fill in the following boxes.

Standard	Certification Agent	Certification Number
ISO14001		

2. We observe the domestic laws and regulations regarding to the environment, the occupational health and safety, and the hazardous chemicals.

3. In the case that Sharp NEC Display Solutions, Ltd. provides the product specification which banned chemical substances are specified in documents, we will take appropriate control so as to observe the specification, and guarantee not to contain such banned substances in the product.  
(This clause is only applicable for tangible products.)  
(Appropriate Controls)

- In procurement process, we notify such banned substances to suppliers.
- In production process, we verify the process not to contain such banned substances.
- If we find the product contains such banned substances, we promptly notify it to Sharp NEC Display Solutions, Ltd.

(Date) \_\_\_\_\_

(Company Name) \_\_\_\_\_

(Responsible Person and Signature) \_\_\_\_\_

\_\_\_\_\_ 御中

環境と安全衛生管理に関する宣言書

弊社は、シャープNECディスプレイソリューションズ株式会社(以下SND S)に対して、物品やソフトウェアならびにサービス等を販売・提供するにあたり、SND Sが取引先宛に展開する「グリーン調達ガイドライン」、および「製品含有化学物質の調達制限に関する基準」、「C S R調達ガイドライン」を理解し、下記通り宣言いたします。

1. 弊社は、環境管理体制を整備し、環境保全ならびに地球温暖化防止に努めます。  
(任意記入欄)  
ISO14001 認証(ある)は環境マネジメントシステムに関して ISO14001 に準ずる第三者認証を受けている場合、下記に記入ください。(認証機関・認証機関・認証番号を記入)

認証機関	認証機関	認証番号

2. 弊社は、環境および化学物質に関する法規制を遵守します。また、工事や生産活動において、労働者の健康および安全衛生を適切に確保することの重要性を認識しており、安全衛生管理体制を整備し、関連する法規制を遵守するとともに、安全を最優先し事故が生じないよう徹底します。  
(任意記入欄)  
OHSAS18001 認証(ある)は安全衛生マネジメントシステムに関して OHSAS18001 に準ずる第三者認証を受けている場合、下記に記入ください。(認証機関・認証機関・認証番号を記入)

認証機関	認証機関	認証番号

3. 弊社は、廃棄物の処理において、対象となる法規制を遵守し、環境汚染や有害性を考慮して、適切な処理を行います。

4. 弊社は、SND Sから購入品目面・購入仕様書等で含有してはならない化学物質が指定されている場合には、当該製品に含まれる化学物質を適切に管理するとともに、SND Sへ供給する製品や包装材にはSND Sが指定する「含有禁止物質」ならびに「条件付き含有禁止物質」が含有しないことを適切な管理のもとに遵守します。また、SND Sから製品含有化学物質情報の提出が求められた場合には、指定された手段で提出します。

【適切な管理】  
・最新版の「グリーン調達ガイドライン」、および「製品含有化学物質の調達制限に関する基準」を参照し、遵守します。  
・資料調達では、当該含有禁止物質を調達先に周知徹底します。  
・生産工程では、製品中に当該含有禁止物質が含有しないように確認します。  
・製品中に、当該含有禁止物質が含まれていると判明した場合は、すみやかに連絡します。

(日付) \_\_\_\_\_

(社名) \_\_\_\_\_

(役職) \_\_\_\_\_

(宣言者の署名) \_\_\_\_\_

(署名は捺印でも可)

## Development of environmentally friendly products

Our Environmental Action Guidelines state that, “We will comply with not only all laws and regulations but also other environmental requirements” in order to realize a sustainable society. In the development of environmentally friendly products, we check the content of chemical substances used in all products.

### <Determine chemical substances used in products>

We strive to help define and comply with all the EU RoHS, REACH, POPs ,and other legal requirements in countries around the world.

### < Fiscal 2022 Compliance with New Prohibited Chemical Substance Regulations >

EU REACH: C9-C14 PFCAs

ORRChem Ordinance in Switzerland: PFHxS and Related Substances

France Environmental Regulations: MOAH and MOSH

the New York State Department of Environmental Conservation: Organic halogen flame retardants



## Energy Label and compliance to environmental directives

We promote “Green Procurement”, promoting environmentally conscious purchasing activities by procuring parts and materials with reduced environmental impact and with respect to laws and regulations on the use of chemical substances in various countries in the world.

### ■ Laws and regulations on the use of chemical substances in various countries in the world.

Environment · Energy Conservation			
EU	USA	China	Japan
EU ErP TCO	ENERGY STAR	China Environmental Label China ECO Label China Energy Label	ENERGY STAR Green purchase regulation ECO Mark PC Green Label



Regulations on chemical substances			
EU	USA	China	Japan
POPs REACH EU RoHS Battery Regulations Waste Packaging Directives	TSCA Green Chemistry Programs PFAS Regulations Organic Halogen Flame Retardant Regulations	New pollutant management action plan Chinese POPs Chinese RoHS	Chemical Substances Control Law J-MOSS Green mark









Recycle			
EU	USA	China	Japan
EU WEEE Der Grüne Punkt Triman Decree	Green Dot	Packaging recycling marking GB/T 18455-2022	PC-Recycling Law The Containers and Packaging Recycling Law

## Showing Eco information of Products

Through the use of environmental labels, we display our environmental performance and information so that customers can use our products with peace of mind.

### ■ Environmental labels in various countries in the world.

Display	
TCO	Energy Star
	

Display · Projector · Direct View LED			
Packaging recycling marking (Japan)	Packaging recycling marking	EU WEEE	Der Grüne Punkt
			
Packaging recycling marking (EAEU)	Triman Decree *1	China Energy Label *2	Packaging recycling marking (China)
			

\*1 Direct View LED : Not covered the standard

\*2 Direct View LED : Not supported

In our business site activities, we set annual environmental management targets and work on items that are evaluated to have a high impact on the environment.

In fiscal 2022, we were able to achieve the target each value of each of these identified items.

Our goals for fiscal 2023 are to promote the achievement of higher target values for each evaluation item with the aim of further reducing environmental impact.

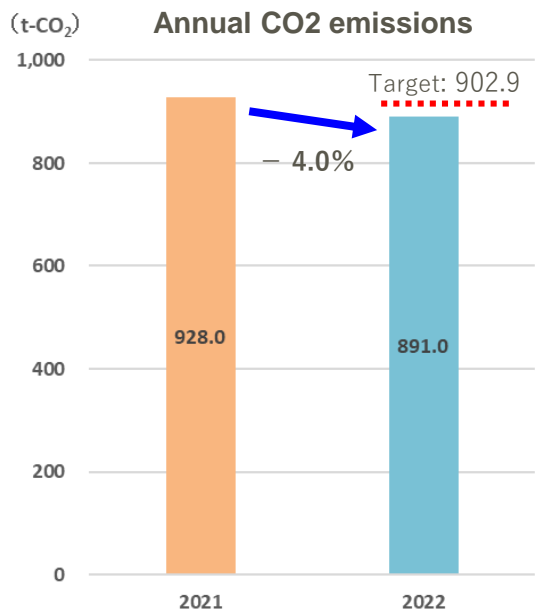
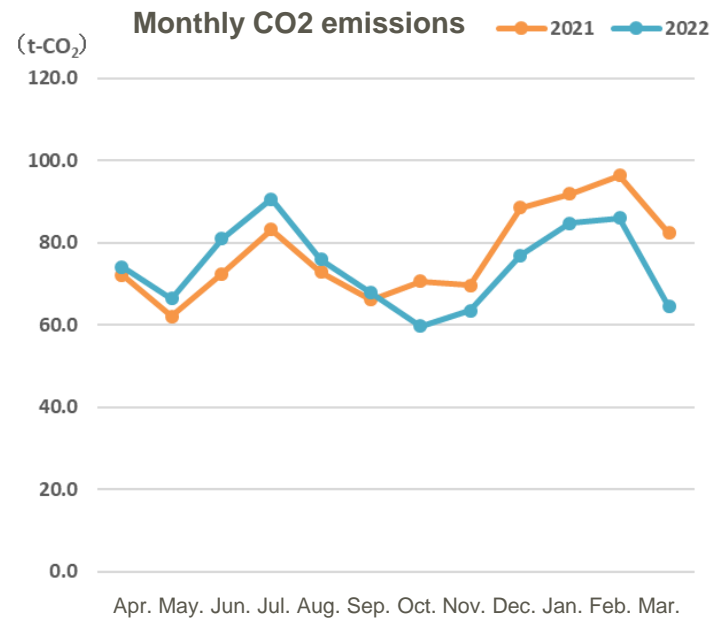
Index	Activities	Fiscal 2022 Targets and Results	Fiscal 2023 Targets
Promotion of climate change measures	Reduction of CO <sub>2</sub> emissions	Reduce CO <sub>2</sub> emissions by 2.7% compared to fiscal 2021 results  Targets : 9 0 2 . 9 t-CO <sub>2</sub> ⇒ Results : ○ 8 9 1 . 0 t-CO <sub>2</sub>	Reduce CO <sub>2</sub> emissions by 4.2% or more from the fiscal 2021 target  Targets : 8 8 9 . 0 t-CO <sub>2</sub>
Resource recycling, Promotion of Resource Conservation	Reduction of waste emissions	Achieve an annual industrial waste value rate of 18.1% or more  ※In order to achieve a valuable rate of 30% by fiscal 2026, Incrementally increase the valuation rate in each year  ⇒ Results : ○ 2 2 . 3 %	Achieve an annual industrial waste value rate of 24.2% or more  ※In order to achieve a valuable rate of 30% by fiscal 2026, Incrementally increase the valuation rate in each year
Initiatives to Promote Environmental Management	Top management leads Implementation of Environmental Management Planning and implementation of environmental events Implementation and participation rate of environmental training: 100%	Sending a message from top management Implementation and dissemination of management reviews Dissemination of topics and holding events to raise environmental awareness Update of environmental standards Implementation of Environmental education Update of environmental activity intranet  ⇒ Results : ○ all activities	Sending a message from top management Implementation and dissemination of management reviews Implementation of Environment Month, environmental awareness Implementation of Environmental education Update of environmental standards

※) ○ : Achievement level of 100% , △ : Achievement level of 80% or more, ×: Achievement rate less than 80% ( Non-conformance in ISO14001 (Achievement rate:×) )

Energy Conservation Result  
(Reduce CO<sub>2</sub> Emissions)

We achieved our CO<sub>2</sub> emissions target for fiscal 2022, and were able to keep CO<sub>2</sub> emissions down to 891.0t- CO<sub>2</sub>, which is lower than the previous year's results.

In fiscal 2022, the development of various products reached a climax, and the operating rate of experimental equipment used for testing and evaluation of developed products was higher than in the previous year. On the other hand, the operating rate of gas air conditioners has remained low due to the reduction in electricity consumption for ceiling lights by turning off all at once, and the effects of winter weather. As a result, we were able to reduce energy consumption by approximately 4% compared to the previous year.

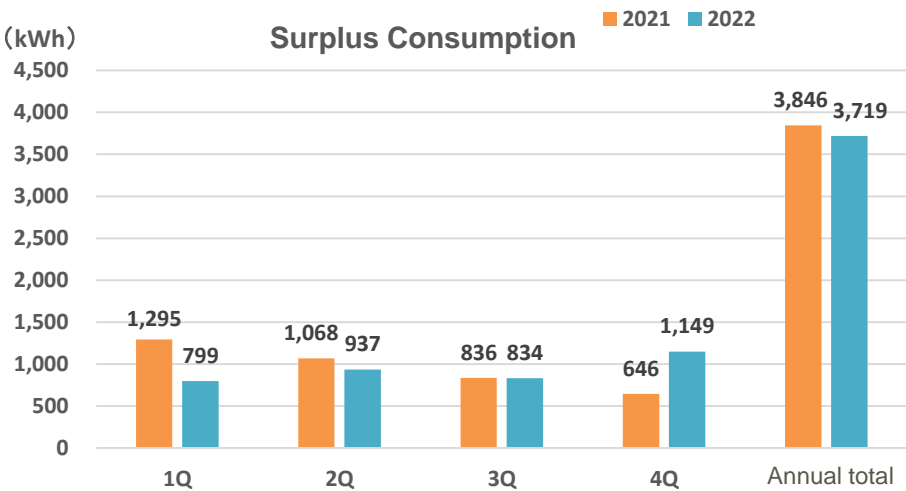


~Activity example~  
Turn off ceiling lights

The activity is to turn off all the ceiling lights on the office floor except for hallways every Friday and every month on payday. In fiscal 2022, we turned off the ceiling lights every day in June, which is Environment Month.

In the first quarter, we were able to reduce surplus consumption by 38% compared to the previous year. For the whole year, we were able to reduce surplus consumption by approximately 3% compared to the previous year.

Reporting of activity results

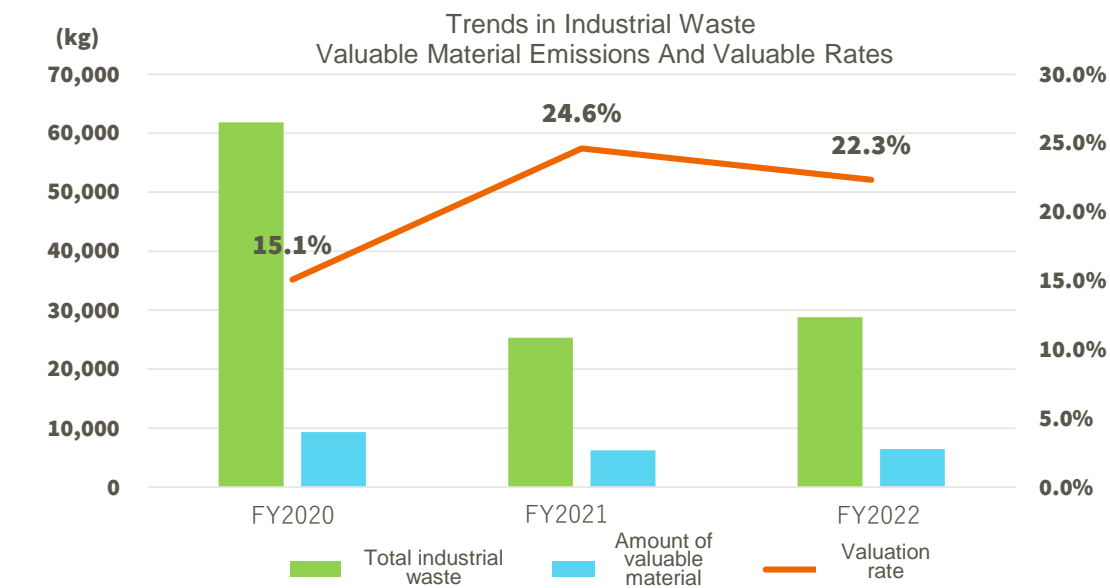


※Surplus Consumption・・・Wasted power consumption due to lights not being turned off in areas where employees are not present.



Industrial Waste Reduction Result

In fiscal 2022, we were able to achieve a value ratio of 22.3% of total industrial wastes, which exceeded our target. Factors contributing to this achievement included the return of landline phones in our offices as valuable items which were replaced in the first half of the fiscal year. In addition, we improved work efficiency by temporarily renting a warehouse area for the separation of products, and improved the value rate by improving the efficiency of sorting general waste.




※ Special coefficients, such as organizational revisions, are excluded from the calculation.  
※ The total amount of industrial waste has been halved since FY2021 because in May 2021, waste was reduced by transferring the maintenance parts warehouse at the plant to another site, and as well as the fact that fixed assets were not disposed of all at once.

~Activity example~  
Improving the valuable rate of Industrial Waste

Our company has an area dedicated to waste disassembly in our Shonan Technical Center. A resident disposal company disassembles and separates the industrial waste which is brought there, allowing valuable materials to be extracted leading to waste reduction.

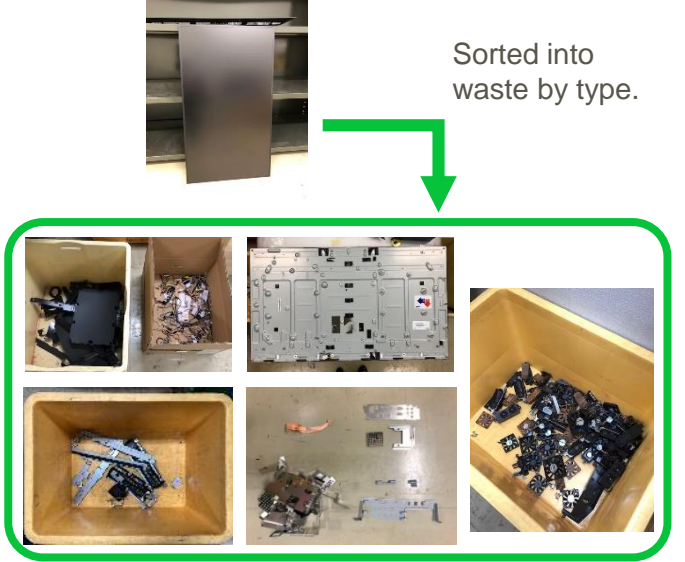
The waste brought into this area is mainly developed products that have been evaluated and tested and are no longer needed. Some companies collect circuit boards, metal parts, copper wires etc that are valuable materials.

<Dedicated disassembly area>



In this area, a resident disposal company disassemble and separate the developed products.

<An example of separation of development parts>



Sorted into waste by type.



We wish to be the entity that customers and society trust, not only through compliance with all appropriate laws and regulations, but also by seeking to realize a sustainable society through initiatives that focus on ESG: Environment, Social and Governance.

We understand the importance of transparency and actively disclose the results and issues of these efforts to our stakeholders, and also use dialogue and communication to improve our own corporate activities.

We believe that sustainable management requires actively listening to customer feedback and understanding broader social issues, while pursuing innovation through the launch of new businesses and further development of existing business. To this end, we promote CSR (Corporate Social Responsibility) management based on the following basic policy.

## Basic Policy of CSR Management

- Strengthen risk management and enforce compliance
- Contribute to solving social issues through business activities
- Promote communications with stakeholders

### **Strengthen risk management and enforce compliance**

We implement thorough risk management within all of our Group companies and business partners, in order to continually respond to the expectations and demands of its stakeholders and to secure its place in society. To this end, we are committed to avoiding and/or mitigating any negative impact or risk of negative impact on its stakeholders, society and the environment, such as the potential occurrences of violations of human rights and environmental damage. In addition, we practice compliance with a constant awareness of the need to prioritize it.

### **Contribute to solving social issues through business activities**

As a Social Value Innovator, we confirm the social issues that we should address in promoting our business and foster a culture of considering the impacts of our products and services on society. We make use of the SDGs when considering these social issues and impacts. We promote and delivers solutions for society according to these themes in order to contribute to the realization of an abundant society and bright future, while exploring fundamental issues faced by society and collaborating with various stakeholders to create new values. We are also contributing to the solution of social issues through its activities for contributing to society in collaboration with local communities and NPOs and NGOs.

### **Promote communications with stakeholders**

We identify the fundamental issues of customers and society and the values they seek by engaging in communication and dialogue with a wide range of stakeholders. We disclose the corporate initiatives taken to solve those issues, the results of these initiatives, and new challenges in CSR reports and other publications. Furthermore, by continuously implementing improvement measures through PDCA cycles that take into account the feedback from society, we will continue to build relationships of trust with its stakeholders and society, enhancing corporate value.

## Promoting CSR across the Entire Supply Chain

In order to achieve sustainable growth together with our business partners, we are required to fulfill our corporate social responsibilities in various fields such as “fair trading and ethics” “environment” “human rights and labor” and “health and safety” throughout the supply-chain, as well as initiatives related to the quality, price, and delivery of parts and materials. Therefore, we have declared our “Basic Policy of CSR Management” and “Code of Conduct for CSR Management” for internal compliance activities, and monitoring of suppliers’ compliance to these guideline.

Sharp NEC Display Solutions has established the following “Supply-Chain Management” standards of conduct in its CSR Code of Conduct.

### Supply-Chain Management

We communicate our “Supply-Chain CSR Guidelines” to mainly suppliers. We monitor suppliers’ compliance to this Guideline.

We communicate our “Green Procurement Guidelines” “Supply-Chain CSR Guidelines” and “Responsibility of Minerals Policy” to our new supply-chain partners, and request agreement with these policies and to carry out the appropriate management to ensure compliance.

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

To comply with the Subcontract Act (Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) in Japan, we implement compliance checks and in-house education on an ongoing basis.

We thoroughly conduct appropriate compliance checks in accordance with internal guidelines, and hold internal training sessions to raise awareness among employees of the importance of complying with the Subcontract Act.

In addition, we continuously call attention to the “thorough prohibition of informal acts.” before going on a long vacation.




Mineral Procurement Initiatives

There are concerns that the mineral resources used in IT products are mined in a way that causes serious health problems for workers or causes damage to the environment of the community. We clarified our policy of neither using nor procuring mineral products mined improperly in conflict areas and seek the understanding and cooperation of our supply chain partners.

Responsible Sourcing of Minerals

We have a policy governing conflict minerals issue which states that Sharp NEC Display Solutions Group will never use conflict minerals unjustly sourced in our products and will never purchase goods that contain conflict minerals unjustly sourced. Supply chain partners are requested to agree with this policy and to carry out the appropriate management to ensure compliance.

Responsible Minerals Policy



### Responsible Minerals Policy at Sharp NEC Display Solutions

2020/11/1

There are concerns that mineral resources used in IT products are mined by means that cause severe health problems for workers or environmental damage in the communities.

Certain mineral resources, such as Tin, Tantalum, Tungsten, Gold and Cobalt, mined in Conflict-Affected and High-Risk Areas (CAHRAs) including the Democratic Republic of Congo (DRC) and adjoining countries, have been used to help finance of armed groups, and/or caused the violation of human rights including forced labor and child labor.

Therefore, the use of these mineral resources could promote the activities of such armed groups.

Considering the responsible sourcing of these minerals to be our social responsibility, Sharp NEC Display Solutions has the following Responsible Minerals Policy;

1) Sharp NEC Display Solutions shall not use Minerals unjustly sourced for products

2) Sharp NEC Display Solutions shall not purchase products containing minerals unjustly sourced

[Definition] unjustly sourced;  
Which finance or benefit directly or indirectly armed groups in CAHRAs including DRC and adjoining countries, contribute to human rights abuses and environmental degradation

Sharp NEC Display Solutions takes the actions below according to our Responsible Minerals Policy.

(1) Sharp NEC Display Solutions requests our suppliers to come into line with the following items:

a) Agree with the responsible minerals policy of Sharp NEC Display Solutions

b) Establish a responsible minerals policy

c) Establish a system/mechanism to ensure the responsible sourcing of minerals for products sold for 3TG+C (Tin, Tantalum, Tungsten, Gold + Cobalt)

d) Confirm are responsibly sourced in products sold

e) Cooperate and respond to inquiries or questionnaires on responsible sourcing of minerals from Sharp NEC Display Solutions

# Sharp NEC Display Solutions may request a responsibly sourced minerals declaration of purchased goods, a Responsible Minerals Report, and/or a site audit from companies within the supply-chain in order to verify purchased goods are responsible sourced.

1

(2) Sharp NEC Display Solutions also identify smelters on the supply chain, and assess the status of supplier initiatives related to conflict minerals, annually by using the Conflict Minerals Reporting Template (CMRT) provided by the Responsible Minerals Initiative (RMI).

From 2019, as for display products with many shipments, Sharp NEC Display Solutions expands the scope of the survey to include Cobalt, by using the Cobalt Reporting Template (CRT) provided by RMI.

(3) When the responses from our suppliers include smelters that are NOT conformant with the Responsible Minerals Assurance Process (RMAP) standards, we demand that the concerned supplier conducts a further detailed survey and/or an RMAP audit or consider procurement from other conformant smelters.

(4) As for the list of smelters surveyed, Sharp NEC Display Solutions discloses CMRT and CRT to the customers who will deliver Sharp NEC Display Solutions' products when requesting.

[Definition]  
Responsibly sourced minerals is defined to mean products, parts, or components that do not contain minerals that directly or indirectly finance or benefit armed groups in CAHRAs including DRC and adjoining countries. That suppliers neither directly nor indirectly finance armed groups in conflict-affected regions, contribute to human rights abuses that include forced labor, child labor and environmental degradation in which specific mining operations may present risk.

Sharp NEC Display Solutions, Ltd.  
Mita Kokusai Building, 4-28, Mita 1-chome, Minato-ku, Tokyo 108-0073 Japan

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## Ensuring Quality and Safety

Sharp NEC Display Solutions believes that product quality and safety are one of the most important management themes and social responsibilities, and is working to provide better products and services that take into account safety, quality, and reliability in accordance with the Quality Policy.

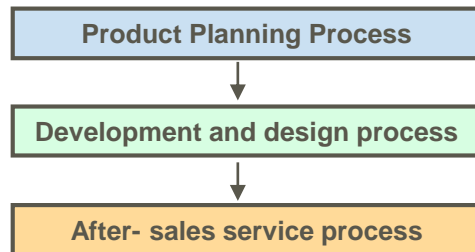
### Quality Policy

Top priority is quality and safety, and through the provision of visual solutions, we will satisfy and impress our customers !

## Strategy

1. Creating visual solutions that put quality, safety, and customer satisfaction first.
2. Provision of Better Products and Better Services.
3. Development of new technologies and creation of new fields.
4. Contribute to society by maximizing profits and corporate value.
5. Compliance with laws and regulations related to quality and safety.
6. We will become the world's No.1 in terms of market share in visual solutions.

## Three Key Process in QMS



- a) Planning Process:  
Marketing, Product Planning, Commerce Processes related to product orders and contracts.
- b) Development and design process:  
Process from specifications and design of products to start of mass production.
- c) After-sales Service Process:  
After-sales Service, and the process of supporting and managing it.

## Quality ISO Certification Activities

We strive to improve the quality and safety of our products. We have been audited by the Japan Quality Assurance Organization (JQA), and in 1997 we received ISO9001 certification, an international standard for quality management systems.

Through the achievement of ISO9001 certification, we build and operate a quality assurance system based on this standard, and strive to provide product quality and services that further satisfy our customers.

### ISO9001 Management System Certificate



## Enhancing Customer satisfaction

In order to meet the needs of our customers, we provide a wide range of support services, from operation and installation support to maintenance, repair, and recycling systems.

### Installation support

We provide a wide range of operation and implementation support services to meet the various needs of our customers.

Customization Service	Assembly Service	Color Calibration Service	Medical Display Network Quality Control Service
Display Projector	Display	Display	Display

### Maintenance Services

We provide free maintenance service and paid maintenance service to ensure that the equipment is in good condition after installation. There are also display products that are eligible for free on-site pick-up repair service.



### Repair Services

We have a contact point for inquiries about repairs on our web site.

### Recycling systems

In order to protect the global environment and make effective use of resources, we collect and recycle used display and projector devices for our business, and recycle displays for home use.

### Experience, proposal, and inspirational show-room

We have a wide lineup of projector and display devices, as well as a showroom where you can experience a number of digital signage solutions.

Our consultancy approach means we can recommend the best fit technology for the customer's unique usage scenario and offer a hands-on experience of our proposed solutions.

For customers who find it difficult to visit the showroom, we also offer online LIVE demonstrations.



Sharp NEC Display Solutions respects basic human rights and has established the following code of conduct for “Human Rights and Labor” for CSR Management.

## Human Rights and Labor

- Prohibit forced labor and any enabler of coercive labor  
We employ all employees on a voluntary basis, and don't commit forced labor.
- Prohibit inhumane treatment and infringements of human rights  
We respect human rights of employees and prohibit harsh and inhumane treatment such as maltreatments and/or various harassments.
- Prohibit child labor  
We don't employ children who are under the lowest labor age and don't assign such jobs that impair children's development.
- Prohibit discrimination  
We prohibit discrimination during the process of job offering and hiring, and endeavor the equal opportunity and fairness of treatment.
- Pay appropriate wages  
We pay legal minimum wage or more, and don't practice unfair wage deduction as means of a disciplinary action.
- Regulate working hours  
We regulate employee's working hours/holidays/vacations not to exceed the legal ceiling.
- Respect the rights to freedom of association  
We respect the rights to freedom of association of employees, as means of employer-employee consultation, in order to settle working conditions and/or wage issues, etc.
- Consider minorities  
We not only prohibit the discrimination on minorities but also consider protection of their human rights.
- Protect foreign employees  
We consider special care for foreign employees and foreign trainees who are in a weak position, in the view of human rights.

## Good Labor-Management Relationship That Prioritizes Dialogue and Respect for Employee Rights

We respects employees' right to organize and the right of collective bargaining based on the laws of Japan, and we work to strengthen a trusting relationship with labor unions. At Sharp NEC Display Solutions, the union has the right to organize, bargain collectively, and the right to take collective action.

In addition to setting up regular opportunities for labor management meetings, labor and management regularly exchange opinions on issues related to the business situation and the workplace environment. When there are issues that will have an impact on the working conditions of union members, both sides meet for discussion before action is taken.

## Harassment Prevention Measures

In order to help prevent harassment and to deal with it should it occur, we have in-house education for all employees. We have achieved our goal of educating 100% of our employees on harassment by 2023.

SHARP/NEC

ハラスメント防止に向けた理解促進

経営管理本部 人事総務部  
初版：2020年 7月  
改版：2022年12月

為は許しません SHARP/NEC

シャープ行動規範

人権の尊重

味します。  
人種、国籍、身体的特徴、セクシュアリティ等の属性、  
手に不快感を与え、その尊厳を傷つけることをいいます。

ハラスメントとは、相手と関係なしに、相手に対して不快な感情を抱く行為をいいます。

ハラスメントとは、相手と関係なしに、相手に対して不快な感情を抱く行為をいいます。



Sharp NEC Display Solutions has established the following code of conduct for “Occupational Health and Safety” for CSR Management.

Occupational Health and Safety

- Apply safety measures for equipment and instruments  
We apply appropriate safety measures for equipment and instruments used in our company.
- Promote safe activities in the workplace  
We evaluate their own safety risks and ensure safety in the workplace with appropriate design, technique, and control method.
- Promote hygiene in the workplace  
We assess the situation of employees’ coming in contact with harmful1 biological or chemical substances as well as noise and foul smell in the work place and take proper countermeasures.
- Apply appropriate measures for occupational injuries and illnesses  
We grasp the situation of occupational injuries and illnesses in the workplace, and provide appropriate measures.
- Properly manage disasters and accidents  
We prepare the emergency response measures for possible disasters and accidents in order to protect human lives, and inform all-out to people in the workplace.
- Be careful about physically demanding work  
We define the physically demanding works, and control appropriately to prevent injury and illness.
- Promote safety and hygiene in all company facilities  
We keep safety and hygiene appropriately in all company facilities provided for employee’s living (ex. Dormitory, canteen, restroom.)
- Promote health maintenance programs for employees  
We provide appropriate health maintenance programs for all employees.

Organization Promoting Health and Safety

In Japan, we work to maintain the safety and improve the health of all employees, as well as further the creation of pleasant working conditions.

At Shonan Technical Center, Kanagawa, Japan, “The Safety and Health Committee ” meets monthly together with the company's elected committee, union elected members, and industrial physicians to action activities that maintain and promote health and safety. Furthermore, safety and health patrols are held every six months to improve the quality of operations in order to maintain a comfortable and safe workplace environment.

In laboratory management, we have established guidelines for cleanup protocols and strive to maintain an accident-free, safe and comfortable work environment for all employees.

Fiscal 2022 Health and Safety Targets and Results

Fiscal2022 Health and Safety Target		Targets	Results
Prevention of Accidents and Disasters	Zero industrial accidents	0／year	0／year
	Zero work-related accidents	0／year	0／year
	Zero accidents on the way to work	0／year	0／year
Creating a Comfortable Workplace	Health and Safety Patrol implementation and improvement	Twice a year	June December

Making Employees Healthier

We have established an appropriate health management system for all employees and strive for better employee health in numerous ways. For example, based on the results of periodic health checkups, employees are offered workplace mental health counselling and are provided with health guidance to prevent lifestyle diseases, lose weight, and stop smoking. In addition, we offer various health promotion measures, such as health e-learning on-line portal.

A health management office has been set up in the workplace, that allows resident nurses to provide health consultations.

Disclosure of information on the health management portal



Mr.Get, the mascot for Healthy Sharp

Enhancing Mental Health Care

We use an employee stress check system, which is required under Japanese law, to help employees understand their level of exposure to stress. The system is expected to lead to the prevention, early detection, and early treatment of mental health issues. Stress check results are analyzed for each organization so that we can improve the workplace environment. We offer comprehensive mental health services to employees, including counselling, Mental support programs and Return-to-work support programs.

Initiatives to Improve Employees' Mental Health

<p><b>Primary prevention</b> <b>Prevention</b> <b>health improvement</b></p> <p>Periodic health checkup</p> <p>Legally designated stress check</p> <p>Mental health information provision</p> <p>infectious diseases information provision</p> <p>Mental health counselling meetings</p>	<p><b>Secondary prevention</b> <b>Early detection,</b> <b>early treatment</b></p> <p>Secondary health checkup follow-up</p> <p>Specific Health Guidance</p> <p>Mental support program</p> <p>Mental health counselling meetings</p>	<p><b>Tertiary prevention</b> <b>Return to work,</b> <b>prevent reoccurrence</b></p> <p>Mental support program</p> <p>Return-to-work support program</p> <p>Mental health counselling meetings</p>
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Prioritizing an inclusive working environment, diversity management creates new value through equality, ensuring fairness and respect of individuality.

Diversity management is a human resources strategy for utilizing a diverse range of employees, but we regard it as a business strategy at the same time.

We are working to make the most of our diverse human resources, and deepen understanding of diversity through training and a portal site.

Promoting Activities of Female Employees

Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, which came into effect in April 2016 in Japan, we have formulated an action plan up to fiscal 2024 and are actively working to promote the active participation of female employees. (<https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=3949>)

Information Disclosure Based on the Act on the Promotion of Women's Active Engagement in workplace in fiscal2022	
Difference in average length of service between men and women	men : 23.2year    women : 20.0year
Percentage of female workers at the assistant manager level	10.1%
Gender pay gap ※Basic salary only	All employee : 74.5% Staff : 74.5% Part-time : 0%


Disclosure of Educational Content

ダイバーシティ&インクルージョン  
～多様性を受け入れる～



**ダイバーシティ(Diversity)とは?**  
「多様性」人と人との違い  
○見える違い・・・ 外見、性別、人種、国籍、年齢など  
○見えない違い・・・ 経験、育った環境、文化、宗教、学歴、地位、価値観など

**インクルージョン(Inclusion)とは?**  
「包摂」「受容」  
人と人との違い(異なる存在)を受け入れ、大切な一人として活かされること。



無意識の偏見～アンコンシャス・バイアス～

多様性を受け入れて活かしていくためには、自分の中にある「無意識の思い込み」「無意識のとらわれ」に気づくことが大切です。皆さんの中に潜む偏った意識に気づくヒントを5回にわたりお伝えしていきます。

- ① 性別役割分担意識について

② 無意識の偏見が及ぼす影響と偏見の典型的パターン

③ 無意識の偏見の正体って何だ?

④ それって思いやり? 「思いやり」の再定義

⑤ 自分の中にある無意識の偏見をどう対処していく?

無意識の偏見とは・・・

特定の人や属性に対して知らず知らずに持つ偏った見方や意見。  
自分自身が気づかないうちに持ってしまった無意識の関連付けが相手に影響を与え、**ネガティブに作用**してしまふことがあります。

無意識の偏見は気ない日々の行動や言葉となって表れて、小さな嫌となり相手に刺さり心を傷つけたり違和感や疎外感を感じさせることがあります。

無意識に対しては、意識で対応!!!  
「自分自身にどういった偏見があるのか?」  
認識することが第一歩です。



日常に潜む無意識の偏見・・・

- ☐ 血液型で性格を想像(判断)してしまふことがある

☐ 出身地で、お酒が強い人かどうかを想像することがある

☐ 「最近の新入社員は・・・」「今ときの若者は・・・」と思うことがある

☐ 車の運転は、男性の方がうまいと思う

☐ あの人、「理系だから」「文系だから」というとらえ方をしてしまうことがある

☐ 「男のくせに」や「女のくせに」と思うことがある



## Human Resource Development

We have many kinds of development programs aimed at improving the quality and scope of employees' capabilities, we conduct "business manor" and "new employee training" of young employees. For us to achieve sustainable growth, we must foster the next generation of leaders who will carry the company into the future. We conduct "training for mid-career employees" and "training for managers" to acquire the knowledge, skills, and mindset necessary for each milestone.

In addition, we regularly conduct education based on Sharp's management philosophy, and code of conduct throughout the Group to disseminate information detailing matters that employees must comply with.

## Recruitment and Expanding Opportunities for employees

To attract employees who can help expand new business and to foster a corporate culture that is youthful and highly motivated, we are strengthening our mid-career hiring in addition to hiring new graduates. Mid-career hires accounted for 35%, the percentage of female workers among hired workers accounted for 45% in FY2022. As a global company, we are working to utilize global human resources in line with on-site needs, and we are promoting the recruitment of international students and foreigners. We have introduced a 'reemploy' system for employees who have reached the mandatory retirement age, it takes into consideration employees who wish to give back and contribute to society through the skills and knowledge they have accumulated over many years.

## Employee Evaluations and Compensation

We use a bonus/pay rise system that is tied to company performance and employee evaluation in order to reward those employees who have produced good results. Goal-setting interviews are held every half year to share the progress of the goals, the degree of contribution, and the results.

## Learning for Self-Development

We provide opportunities for anyone wishing to learn for self-development, such as various correspondence courses and online language training. We have also introduced TOEIC test and public qualification acquisition subsidies.

## Welfare systems

In Japan, we have introduced a variety of employee benefits and welfare systems, which contribute to a stable and secure working environment for employees.

Wealth Systems	Property accumulation savings, defined benefit corporate pension
Company Housing System	Rented company housing system for new employees for transferees, Rent subsidy system
Facilities	Cafeteria, health care center, grounds, tennis courts (depending on the office)
Other employee benefits and welfare systems	Corporate pension funds, Retirement plans, Congratulatory or condolence payments, Group health insurance plan, medical examination subsidy (e.g., for comprehensive medical screenings), Refreshment leave



### Clean-up activities

At Shonan Technical Center (Oi-machi, Kanagawa Prefecture), we regularly carry out clean up campaigns with members of the community, and also pick up litter from around the office together with students from a nearby high school.

On October 19, 2022, a total of 16 employees participated in a cleanup activity around the business site, collecting approximately 6 kg of litter.

As an Oi-machi SDGs partner company, we will continue to engage in cleanup activities to protect the nature of the region.

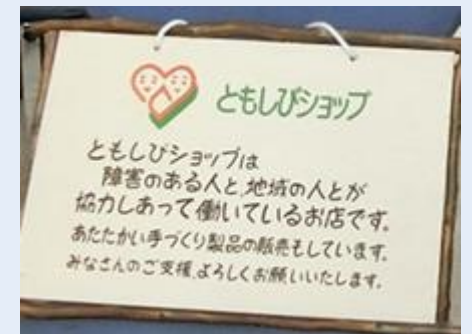


### Sales event with Tomoshihi Cafe

In support of the activities of the Kanagawa Prefecture Social Welfare Council, we are holding a sales event with the Tomoshihi Cafe (Oi-machi, Kanagawa Prefecture) at our office.

Located in the Oi-machi Health and Welfare Center, the Tomoshihi Cafe is a shop where people with disabilities and local people work together.

Through sales events at the Shonan Technical Center, we create opportunities for interaction with local communities and contribute to a society where everyone works equally.



### Blood donation activities

At the Shonan Technical Center (Oi-machi, Kanagawa Prefecture), since 1994, we have set up a blood donation site.

In fiscal 2022, a total of 36 people participated in blood donation activities at the Shonan Technical Center in June and December.

Blood donation is a volunteer program in which healthy people donate their own blood free of charge. We will continue to contribute to society by providing a place for regular blood donation activities.



### Collect PET bottle caps and donate

Since 2017, we have been working on an eco-cap campaign in partnership with Oi-machi Social Welfare Council.

We collect PET bottle caps and donate a portion of the purchase price. The purchased PET bottle caps are reused as a recycled plastic resource.

So far, a total of 744,000 caps have been collected and vaccines have been donated to approximately 860 children.



## Environmental Conservation Initiatives

We have a wetland plant protection area for the purpose of protecting wetland plants “Mizo kouju” and “Hosoi” on the grounds of the Shonan Technical Center (Oi-machi, Kanagawa Prefecture) to protect the nature and ecosystem of the region as an SDGs partner company at Oi-machi.

“Mizo Kouju” is a valuable species in the region, and “Hosoi” is a plant selected as a valuable species in Kanagawa Prefecture.

The sanctuary is also a feeding and resting place for aquatic birds such as herons.



## Activities at each site around the world

Based on its business philosophy of “contributing to the culture, benefits, and welfare of people throughout the world,” Sharp Group is working to address local social issues as a member of the communities where it does business.

At Sharp Nordic, one of our sales bases in Europe, we regularly pick up litter around the office with the aim of contributing to the local community and raising the environmental awareness of employees.







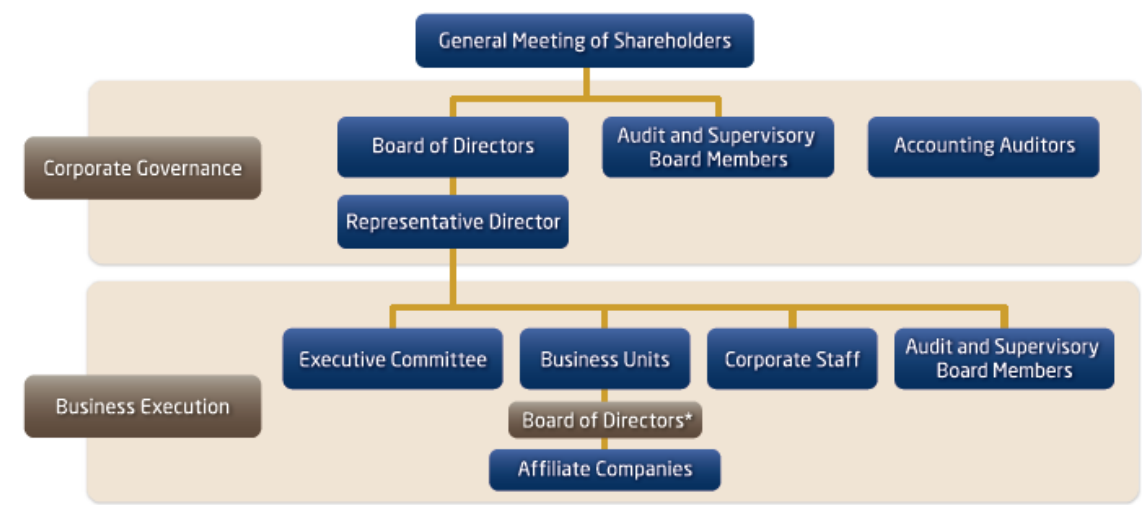


In order to continue to be a company that is trusted by all stakeholders, we are committed to compliance, to maximize corporate value through timely and appropriate management while ensuring transparency, objectivity, and integrity.

## Corporate Governance System

We have introduced an executive officer system, clearly separating the Board of Directors supervisory and business execution functions, thereby creating a structure that steadily facilitates agile and efficient business execution. On top of that, we have established a system to ensure the legality of business operations by monitoring business execution from audit and supervisory board members, corporate auditors, and accounting auditors.

## Corporate Governance System



## Board of Directors

Board of Directors meetings are held on a monthly basis in principle to make decisions on matters stipulated by law and on management-related matters of importance, and to supervise the state of business execution.

Extraordinary meetings of the Board of Directors shall be held as necessary.

## Audit and Supervisory Board Members

The Auditors are composed of outside directors with a high level of expertise, elected by General Meeting of Shareholders.

They audit the propriety of business execution and the appropriateness and efficiency of management.

## Accounting Auditors

We undergo audits by accounting auditor, Azusa LLC, in order to ensure the reliability of financial documents and other finance-related information.

## Executive Committee

The Management Committee is composed of general managers and above, and is chaired by the president.

They discuss and decide on important matters related to management strategy, and also exercise general control over business execution.

These efforts helped to ensure the effective functioning of the our internal control system in each of the control domains in fiscal 2022, as detailed in an Internal Control Report, which was submitted for Sharp.

When using third parties such as agents and consultants, providing or exchanging gifts or entertainment to government employees, and participating in associations, we have guidelines that clarify the points to be confirmed.

In the case of entertainment or gifts, we are working to prevent bribery by establishing a system for prior confirmation and approval in accordance with the "Business Approval Guidelines".

FY	Internal Control Initiatives (Secretariat : Corporate Administration Division, Human Capital and General Affairs Department)	Achievement status
Apr.	<ul style="list-style-type: none"> <li>Conducted operational status checks for the second half of the previous fiscal year ⇒Submit the check results to the Sharp department.</li> </ul>	※Second half of fiscal 2021 and annual initiative results The check results were submitted on April 8th.
May.~Jun.	<ul style="list-style-type: none"> <li>Considering the need to revise the "system to ensure appropriate business operations".</li> <li>Reviewed the "Operational Status Check Sheet for the system to ensure appropriate business operations". (Reflecting changes in organizational structure, etc.)</li> </ul>	No need for review The check sheet is operated with the same contents as last year.
Jul.~Aug.	<ul style="list-style-type: none"> <li>Implementation of Initiatives based on the check sheet.</li> </ul>	
Oct.	<ul style="list-style-type: none"> <li>Confirmed the operational status of the first half of the fiscal year.</li> </ul>	※Check out of the results for the first half of 2022 Preparation of check sheet result report.
Nov.~Jan.	<ul style="list-style-type: none"> <li>Implementation of Initiatives Based on the Check Sheet.</li> </ul>	※Annual results for the first half of fiscal 2022 reported at Executive Committee and submitted the check results to the Sharp department.
Feb.~Mar.	<ul style="list-style-type: none"> <li>Implementation of Initiatives and follow-up to completion by the end of March.</li> </ul>	※End of March : Annual results for fiscal 2022 reported at Executive Committee and submitted the check results to the Sharp department.

[illegible]

Sharp NEC Display Solutions defines compliance as “observing laws, regulations, and company rules, and acting in line with corporate ethics” and pursuing management practices that give priority to compliance.

### Risk Management & Compliance Committee

The Risk Management & Compliance Committee meets monthly, deliberating on important policies related to CSR promotion and resolution of specific issues related to CSR promotion.

If a compliance-related risk occurs, we will respond appropriately in accordance with the Basic Rules for Compliance and the Rules for Business Risk Management, and take comprehensive corrective measures and prevent recurrence.

### Various types of training related to compliance

In order to promote compliance and raise awareness among officers and employees, Sharp has published an in-house guidebook and regularly disseminate information and provide training such as e-learning to all employees.

Example of education themes conducted in December 2022

Sharp Code of Conduct	About Sharp Code of Conduct／ Rectify violations of the Code of Conduct
Human Rights and Labor	Working Hours, Wage, Welfare／ Freedom to improve the organization
Compliance	Competition Law／Bribery Regulations／Premiums and Representations Act／Insider Trading Regulations／Related Party Transactions／Accounting Fraud Prevention／Sharp Group Compliance Guidebook
Information Security	Information Security／Management of Personal Information／ Confidential Information Management
ESG-Management	ESG-forced management／ESG／SDGs Relationship between ESG Investment and SDGs

Sharp NEC Display Solutions has established the following code of conduct for "Fair Trading and Ethics" in its CSR Management.

## **Fair Trading and Ethics**

### ■ Prohibit corruption and bribery

We maintain a sound and normal relationship with politics and government administration without committing bribery and/or making illegal political donations.

### ■ Prohibit abuse of a superior position

We don't create disadvantage for their suppliers by abuse of a superior position.

### ■ Prohibit the offering and receiving of inappropriate profit and advantage

We don't offer and/or receive inappropriate benefits to/from stakeholders.

### ■ Prohibit impediment to free competition

We don't impede fair, transparent, and free competition.

### ■ Provide accurate information on products and services

We provide accurate information on products and services to consumers and customers.

### ■ Respect intellectual property

We don't infringe upon intellectual property rights.

### ■ Use appropriate export procedures

We streamline the clear-cut control system and execute proper export procedures, regarding exports of technologies and goods defined by laws and regulations.

### ■ Information disclosure

Regardless of whether such disclosure is required by law, we readily supply and disclose information to stakeholders.

### ■ Prevention of wrongdoings and early detection

We make efforts to prevent wrongdoings and develop a system that allows early detection and swift implementation of measures.

### ■ Secure computer networks against threats

We take protection against threats on the computer network, and prevent damages to their company and others.

### ■ Prevent the leakage of personal information

We appropriately control and protect personal information of employees, customers, and third parties.

### ■ Prevent the leakage of customer and third-party confidential information

We control and protect confidential information from customers and third parties.

## Intellectual Property Strategy and Management System

Sharp NEC Display Solutions regards its intellectual property strategy as one of its critically important management strategies, we are actively working to create and protect it.

While promoting intellectual property activities within the company, we work closely with SHARP IP Infinity Co., Ltd. (SIPI), which was established as a spin-off from Sharp's Intellectual Property Division. By collaborating with SIPI, we are promoting intellectual property activities that are integrated with Sharp Corporation's intellectual property strategy.

## Building a Patent Portfolio

In order to contribute to strengthening our business competitiveness, we have begun to actively utilize intellectual property.

We are committed to building a patent portfolio that will stand out against our competitors. When building our patent portfolio, it is important to increase the ratio of high-quality patents and hold an appropriate amount of patents in the appropriate country according to our business policy and business environment.

Along with acquiring new patents, we also conduct regular inventories. In this way, we aim to increase the value of our entire patent portfolio and actively utilize intellectual property.

## Risk management of Intellectual Property

We strive to reduce various intellectual property risks that may arise in our business activities by maintaining a stance of respecting the intellectual property rights of third parties and considering risks from an intellectual property perspective when concluding various contracts.



## Security Export Control

In order to maintain international peace and security, major countries including Japan are working with the international community to restrict exports of goods and technologies that could be diverted to military use, including weapons, to prevent them from falling into the hands of states and terrorists who threaten the security of the international community.

In Japan, with the aim of export control for national security, the Foreign Exchange and Foreign Trade Act (“FEFTA”) has been enacted and strict procedures have been established. We have established the “Export Transaction Control Regulations” and are developing an export control system and operating export control.

Our export control system has the representative director as the chief executive officer for security export control, and we have assigned export control managers to each departments to ensure reliable implementation.

When exporting products overseas, we conduct internal inspections to ensure that cargo and technology are appropriate, confirm destinations, business partners, and end customers, and review the terms of the transaction to ensure that there are no security concerns, and strictly manage them in accordance with laws and regulations. We strive to review internal rules in a timely manner whenever export control laws are revised and we also manage re-export restrictions under the U.S. Export Administration Regulations (EAR).

We will maintain and further improve these systems to secure comprehensive export control.

## Export Control in-house training

Security export control cannot be managed properly without the correct understanding of each employee.

In order to maintain and continue our export control system, we regularly provide export control education for each level using e-learning for all employees and practitioners.

[General education for all employees]

- Basics of Export Control / Export Control basic education

[Professional education for practitioners]

- Basic education for export control personnel
- Education about whether controls apply to goods and technologies
- Practical Education on Export Procedures

As we strive to provide better products and service, and to contribute to the development of society, information assets are entrusted to us by our customers and business partners. We believe it is our responsibility to protect our company's information assets and are working to ensure information security by setting forth a Global Basic Policy on Information Security.

Basic Policy on Information Security

We have established a basic information security policy and will put it into practice.

- We will establish an information security management system and strive to appropriately manage information assets.
- We will develop and implement internal regulations in accordance with this basic policy.
- We will continue to provide education to ensure information security.
- We will take appropriate human, organizational, and technical measures to prevent unauthorized intrusion into information assets. We will strive to prevent leakage, falsification, loss, theft, destruction, and interference with use.
- We will strive to minimize the damage and prevent recurrence, even if a security problem occurs with information assets, we can quickly investigate the cause.
- We will comply with laws and regulations related to information security, guidelines established by the government, and other social norms.
- We will continuously review and improve the above activities.

Initiatives to Strengthen Information Security Measures

- We conduct information security education for all employees to ensure that they are aware of internal rules related to information security.
- We regularly conduct "targeted email attack" drills using simulated attack emails to deepen our understanding of attack methods and how to distinguish them, and to confirm escalation procedures.
- The status of each PC is checked every morning, and the IT department staff will take immediate action on problematic PCs.
- We have opened an Information Security Portal to provide information to employees and raise awareness of information security.

Disclosure of Information Security Portal

情報セキュリティ

情報セキュリティ委員会

✓ 資料

詳細ページを見る

緊急事態発生時の連絡ルート

✓ ウイルスに感染してしまった場合、またはウイルスに感染した疑いがある場合

✓ 情報セキュリティインシデントが発生した場合

- ・ PC等の盗難・紛失・置き忘れ
- ・ メール・FAXの誤送信、誤送付
- ・ 情報流出
- ・ 不適切な情報の取扱い など

詳細ページを見る

怪しいメールにご用心

✓ 怪しいメールを受け取ったら

✓ セキュリティサポートデスクへの報告方法（受信後、速やかに）

✓ 見分け方・注意点

✓ その他の注意点

詳細ページを見る

学習資料のご案内

✓ 学習資料

- ・ 標的型攻撃メールについて
- ・ IT関連ルール一覧

✓ 情報セキュリティマインドの向上を目指すサイト

詳細ページを見る

標的型攻撃メール訓練結果

✓ 資料

詳細ページを見る

Windowsセキュリティ対策

✓ 最新の対策情報

✓ Windows更新プログラムの確認・対策方法

✓ ネットワークから遮断されてしまった場合の復旧手順

詳細ページを見る

## Promoting Business Continuity Management

Even in the event of a large-scale disaster, we have formulated a business continuity plan so that we can quickly restore our business while maintaining a chain of command. Members of the emergency headquarters conduct training and make appropriate improvements through verification and evaluation.

### Basic Policy

- (1) Ensuring the safety of human life
- (2) Fulfillment of social responsibilities required of the company
- (3) Maintenance and early recovery of business
- (4) Minimization of management damage caused by business interruption
- (5) Minimization and early recovery from damage caused by network failures

## Introduction of Safety System

Considering the safety of our employees as our top priority, the Sharp Group has introduced safety systems.

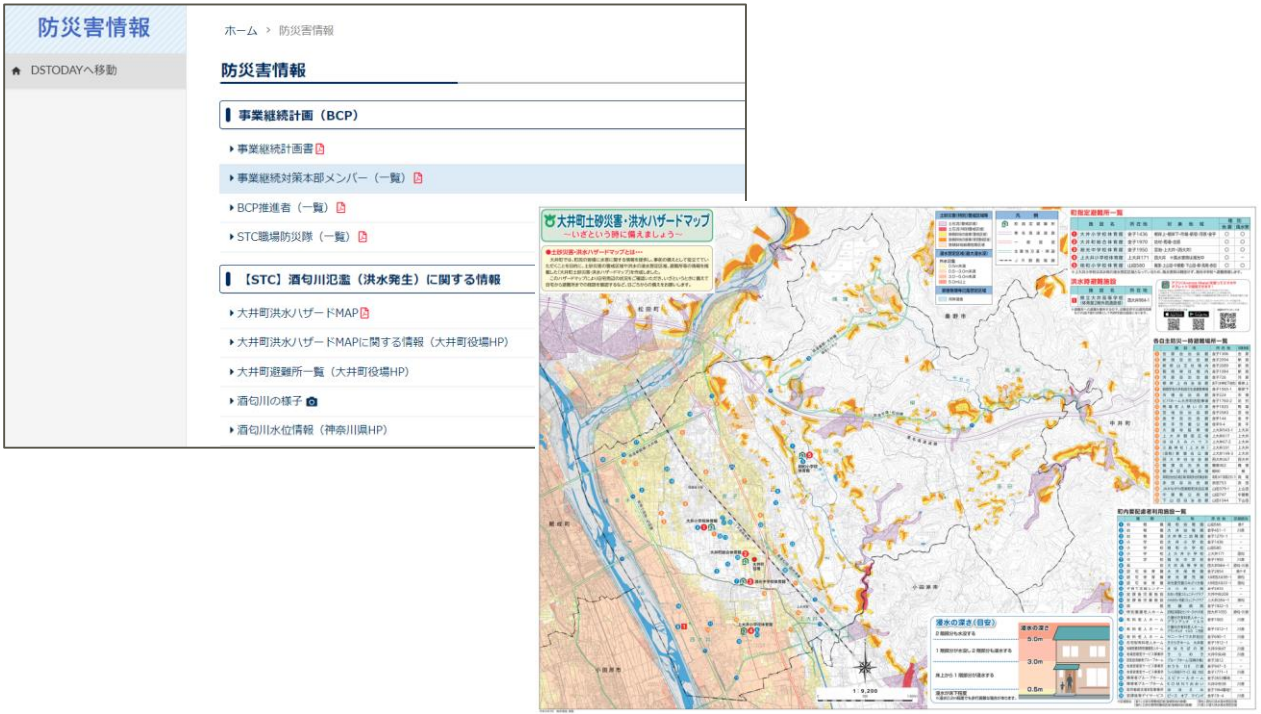
Safety confirmation emails are automatically sent to the target person in the event of an earthquake with seismic intensity of 5 or higher, and employees who receive the email can report their safety.

In preparation for emergencies, we check the registration information of the system and conduct operation training every year.

## Disaster Prevention Measures

We have established a “Disaster Prevention System in the Workplace” and conduct “Disaster Emergency Prevention Drills” every year in preparation for the occurrence of disasters. The results of the drills are verified, reflected in the fire plan, and reviewed.

In addition, we store emergency supplies in our workplaces based on the disaster prevention stockpile standards. By posting information on the portal site, we are working to raise awareness of disaster prevention among employees on a daily basis.



We have established the SNDS Hotline for the purpose of improving the soundness of organizational management.

The consultation desk clearly states that it will protect the privacy of the consulter and respond in accordance with the operational rules so that the consulter and the collaborator will not be disadvantaged or treated unfairly.

We also use the Crystal Hotline which is Sharp Group's reporting centre.

The Crystal Hotline can be used anonymously and serves as a point of contact for reporting violations of laws and regulations, ethical violations, and various issues related to human relations in the workplace.

The hotlines and consultation service receive reports and conduct fact-finding investigations in line with strict operating rules. Those who have requested a consultation are informed of the details of the response. If the investigation reveals any violation of laws, regulations, or company rules, or any other compliance issues, we will put into effect measures for remediation and recurrence prevention.

Six months after any corrective action is taken, we check that the whistleblower contacting the Crystal Hotline has not been disadvantaged. After a further period, we also check whether the corrective actions and recurrence prevention measures are working effectively.

Fiscal 2022	Result
Number of reports to the SNDS hotline	0

### Disclosure of Hotline Information



① SNDS Hotline	SHARP / NEC
<u>○コンプライアンス・CSR問題</u> ◇法令に違反する行為 ◇シャープグループ企業行動憲章および行動規範を逸脱した行動 ◇財務諸表に影響を及ぼす処理 ◇取引先や社外関係者との不適切な関係 ◇社内における不適切な処理 等、「不正では？」と感じた場合は、速やかに次頁連絡先までご連絡下さい。	
<u>○人権問題</u> ◇ハラスメント(セクハラ、パワハラ、マタハラ等) ◇人権侵害 ◇職場での人間関係 等でお悩みの場合は、遠慮なく次頁連絡先までご連絡下さい。	

**SHARP / NEC**

Sharp NEC Display Solutions, Ltd.