

Progress in the Social Dimension of CSR

Sharp established the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct as standards of conduct to fulfill Sharp's business philosophy and business creed, which are the origin of the Sharp Group's CSR. Based on the Group Charter of Corporate Behavior and the Code of Conduct, each functional group sets major social themes and targets in CSR and develops various measures while promoting continual efforts for improvement.

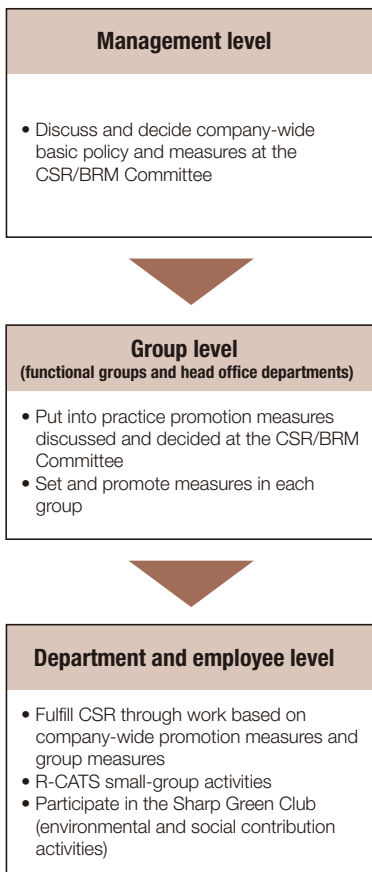
Promoting CSR Efforts in the Social Dimension

To promote CSR efforts in the social dimension, Sharp takes measures at the levels of management, group, and department.

On the management level, the CSR/BRM*1 Committee (see page 6) discusses and decides company-wide promotion measures, and each functional group implements specific measures across the company.

On the level of departments and employees, CSR is put into practice through work broken down into specific duties.

*1 BRM: Business risk management



Efforts for Fiscal 2006

Examples of Sharp's distinctive efforts in the social dimension of CSR are introduced in the Special Focus section (page 17 to 23: the Customer Assistance Center, CSR activities at sales bases in Japan, and joint environmental education with weather-casters).

In addition to these efforts, Sharp achieved results in the Corporate Affirmative Action for Women Strategy Program and other such activities in fiscal 2006. Sharp will regularly assess the progress of such measures, identify problems and make further improvements thereof—these steps functioning as a management system—and work to incorporate these CSR measures into the work process.

■ CSR Through R-CATS*2 Small-Group Activities

R-CATS are small-group activities in which production and quality departments, as well as other indirectly related departments, participate. All workplaces in Japan and overseas set themes from the viewpoint of CSR for common problems in everyday work and join together to take action and solve these problems.

From September to October 2006, Sharp held R-CATS Overseas Conventions in three regions: Asia, China, and Pan-Atlantic. In November, Sharp held the Worldwide R-CATS Convention for the best teams selected from the regional conventions. Themes presented in the final round included improvement of production and quality as well as customer assistance and distribution. In fiscal 2006, a total of 40,623 employees from 4,188 teams (including 13,278 employees from 1,280 teams at overseas sites) participated in R-CATS activities to fulfill CSR in each workplace.

*2 R-CATS: Revolution Creative Action Teams

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

Efforts (Achievements) for Fiscal 2006		Efforts for Fiscal 2007	See page(s)
<ul style="list-style-type: none"> Improve internal control system 	<ul style="list-style-type: none"> Formulated basic policy for internal control Established Internal Control Committee Implemented various measures for improving internal control system Provided internal control e-learning 	<ul style="list-style-type: none"> Have internal control system in place and operating <ul style="list-style-type: none"> Analyze operation and implement problem-solving measures for internal control system Conduct internal control audits Build internal control IT system 	5
<ul style="list-style-type: none"> Improve compliance training system 	<ul style="list-style-type: none"> Provided legal affairs/compliance e-learning Conducted mandatory compliance seminar for directors and management in business groups Revised job-level-specific compliance training curriculum 	<ul style="list-style-type: none"> Improve compliance enlightenment tools <ul style="list-style-type: none"> Create compliance guidebook 	6
<ul style="list-style-type: none"> Review management methods for important risks 	<ul style="list-style-type: none"> Revised risk assessment standards to identify important risks ("level of impact" x "probability of occurrence") 	<ul style="list-style-type: none"> Create BCM (business continuity management) system <ul style="list-style-type: none"> Create PDCA cycle-based management system to improve BCP (business continuity plan) of all domestic production sites 	6, website
<ul style="list-style-type: none"> Improve quality of customer support 	<ul style="list-style-type: none"> Opened call center in Japan dedicated to AQUOS LCD TVs (toll free phone number for inquiries) Revamped training for improving technical knowledge and inquiry response skills of personnel at Customer Assistance Center in Japan 	<ul style="list-style-type: none"> Achieve higher ranking in customer satisfaction surveys of inquiry response skills <ul style="list-style-type: none"> Use statistics to achieve greater accuracy in predicting number of inquiries; this will lead to improved phone call reception rate 	17 • 18 45 • 46
<ul style="list-style-type: none"> Reduce initial product faults 	<ul style="list-style-type: none"> Inaugurated special management system in which staff in charge of technology, quality, and service are assigned to Customer Assistance Center, analyze types of inquiries, and promptly respond to these during period immediately after release of new products; this reduces initial product faults 	<ul style="list-style-type: none"> Further improve quality in early stages of product making (design, parts procurement, and software) <ul style="list-style-type: none"> Improve training for quality engineering, etc. Improve system for analyzing parts and materials used 	45
<ul style="list-style-type: none"> Improve usability (ease of use) of digital consumer electronics 	<ul style="list-style-type: none"> Introduced tests to determine ease of use of product instruction manuals Honored at 2006 Japan Manual Contest (for DVD/HDD recorder and digital full-color MFP manuals) 	<ul style="list-style-type: none"> Introduce more universal design products <ul style="list-style-type: none"> Use data from Customer Assistance Center and results of usability testing to bring universal design to more products 	46
<ul style="list-style-type: none"> Make company-wide efforts to acquire Privacy Mark certification in Japan 	<ul style="list-style-type: none"> Conducted internal audits and took improvement measures concerning personal information protection 	<ul style="list-style-type: none"> Apply for and acquire Privacy Mark certification <ul style="list-style-type: none"> Continue internal audits on departments handling personal information Continue to provide education to employees 	47
<ul style="list-style-type: none"> Strengthen IR activities aimed at individual investors 	<ul style="list-style-type: none"> Gave presentations at seminars for individual investors Held explanation sessions for salespeople in charge of individual investors at securities companies 	<ul style="list-style-type: none"> Improve information disclosure to shareholders and investors <ul style="list-style-type: none"> Renew contents of investor relations website 	48
<ul style="list-style-type: none"> Develop CSR study sessions for business partners Improve green procurement activities for material suppliers 	<ul style="list-style-type: none"> Held CSR study sessions for persons in charge at subcontractor companies engaged in production and work at domestic production sites Introduced green procurement online system and conducted survey on environmental management of each material supplier 	<ul style="list-style-type: none"> Improve supply chain CSR measures <ul style="list-style-type: none"> Introduce Sharp Supply-Chain CSR Deployment Guidebook and CSR self-check online system for suppliers 	49 • 50
<ul style="list-style-type: none"> Promote development of diversified human resources and capabilities to deal with changes in business environment 	<ul style="list-style-type: none"> Improved SHINE program (for fostering young global employees) Promoted career development of engineers Improved employment rate for physically and mentally challenged in Japan (2.0% → 2.02%) 	<ul style="list-style-type: none"> Promote continual development of diversified human resources and capabilities to deal with changes in business environment <ul style="list-style-type: none"> Strengthen and expand human resource development programs for management and global personnel 	51 • 52
<ul style="list-style-type: none"> Promote Corporate Affirmative Action for Women Strategy Program in Japan Expand various systems for supporting balance between work and family 	<ul style="list-style-type: none"> Expanded number of departments where women can actively work in to 69; implemented female manager candidate development program Established reemployment following childcare leave system and extended period of time for reduced working hours for childcare reasons, etc. 	<ul style="list-style-type: none"> Continue to promote Corporate Affirmative Action for Women Strategy Program and consider additional measures <ul style="list-style-type: none"> Promote activities to achieve each objective of relevant programs Expand and diversify systems for supporting balance between work and family <ul style="list-style-type: none"> Review existing systems and consider additional measures 	51, website
<ul style="list-style-type: none"> Strengthen accident prevention activities Improve level of safety and health for temporary staff and employees of subcontractors stationed inside Sharp sites 	<ul style="list-style-type: none"> Implemented labor-management safety and health inspections at 10 major domestic plants Held monthly safety and health meetings with subcontractors stationed inside Sharp sites in Japan 	<ul style="list-style-type: none"> Strengthen industrial accident risk reduction activities <ul style="list-style-type: none"> Implement regular safety and health inspections at 11 major domestic plants, including newly added Toyama Plant Promote major monthly theme-based targets Improve safety and health awareness of newly assigned temporary staff and employees of subcontractors stationed inside Sharp sites in Japan <ul style="list-style-type: none"> Expand safety and health education for newly assigned employees 	52
<p>Japan:</p> <ul style="list-style-type: none"> Create Sharp Forests at seven locations Start environmental education for elementary schools Carry out local social contribution activities at all 85 sales/service bases <p>Overseas:</p> <ul style="list-style-type: none"> Firmly establish social contribution activities at major sites 	<p>Japan:</p> <ul style="list-style-type: none"> Created Sharp Forests at six locations Provided environmental education at 55 elementary schools for six months starting October Total of 14,078 people participated at all 85 bases <p>Overseas:</p> <ul style="list-style-type: none"> In China, established Sharp Charitable Fund and started various activities Continued to carry out environmental social contribution activities at Asian bases 	<p>Japan:</p> <ul style="list-style-type: none"> Create Sharp Forests at more than 10 locations Provide environmental education at 500 elementary schools for the year Expand local social contribution activities at sales/service bases <p>Overseas:</p> <ul style="list-style-type: none"> Expand activities centered on Sharp Charitable Fund in China Develop information network concerning social contribution activities at overseas bases 	19 • 20 21 - 23 53 • 54