



Fighting Against Forced Labour and Child Labour in Supply Chains Act, Bill S-211

Sharp Electronics of Canada Ltd. (“SECL”) is committed to carrying out business responsibly, which includes ensuring that Forced Labour and Child Labour is not taking place in any part of our business or supply chain.

SECL is a wholly owned subsidiary of Sharp Corporation. SECL imports, sells, distributes, and provides after sales services for products that are designed and manufactured by Sharp companies both in North America and overseas, as well as designing and selling other services in support of such product range. Our supply chain is primarily with other Sharp companies.

Sharp Corporation has set out ethical standards of behaviour through its Sharp Group Charter of Behaviour and Code of Conduct and specifically in this area, the Sharp Supply-Chain CSR Deployment Guidebook [Sharp Supply-Chain CSR Deployment Guidebook](#) which conforms to the Responsible Business Alliance, Code of Conduct.

These corporate policies and standards are enacted in Canada through the SECL Code of Conduct, which has been communicated to all employees and sets out our commitment to acting ethically in our business dealings and relationships. It is the duty of all Sharp employees to seek advice or report any activity or conduct that might raise issues or violate such laws. SECL has a zero-tolerance approach to Forced Labour and Child Labour and we will assess any instances of non-compliance on a case-by-case basis and will then tailor remedial action appropriately.

Sharp Corporation takes reasonable and practical steps, including factory and warehouse inspections, audits, and contractual obligations to ensure that our standards are being implemented throughout the business of our suppliers and that local legislation and regulations are complied with.

Furthermore, in accordance with Bill S-211, the Fighting Against Forced Labour and Child Labour in Supply Chains Act, we have disclosed a statement affirming our dedication to combating forced labour and child labour in our supply chains and it's posted on our, website www.sharp.ca

SECL is committed to continually improving our framework, regularly reviewing, and updating policies and procedures to adapt to evolving legislation and risks.

SHARP CORPORATION

Corporate Responsibility and Initiatives Regarding Forced Labour and Child Labour in Supply Chains.

Sharp Corporation is dedicated to fulfilling our corporate and social responsibilities across various areas throughout our supply chain, including product safety, environmental protection, human rights, labour, health, and safety.

We are committed to implementing corporate social responsibility (CSR) initiatives that comply with all laws, regulations, and social standards, ensuring our supply chain is free from Child and Forced Labour.

In pursuit of this commitment, we have developed the Sharp Supply-Chain Corporate Social Responsibility Deployment Guidebook, derived from our Basic Purchasing Principles. This guidebook outlines our proactive approach, concrete policies, and expectations for suppliers regarding procurement activities. It encompasses a wide array of rules and standards, including those related to management systems, compliance, ethics, human rights, labour, among others.

We urge our suppliers, including subcontractors and labour agents/contractors, to fully support and implement the guidelines outlined in the guidebook, in addition to embracing voluntary CSR initiatives. Collaboratively, we aim for sustainable growth and mutual prosperity while ensuring compliance with local laws and regulations.

Furthermore, our guidebook aligns with the Responsible Business Alliance (RBA) Code of Conduct, underscoring our commitment to international standards of supply-chain CSR.

Human rights-related initiatives are promoted not only in accordance with our Group Charter of Corporate Behavior, Code of Conduct, and local regulations but also through ongoing compliance checks, including self-assessment surveys aligned with international principles such as those advocated by the International Labour Organization (ILO).

Sharp Corporation and affiliated companies uphold a culture of compliance through regular checks and in-house education. We provide RBA e-learning modules to our procurement employees to enhance their understanding of CSR principles.

The principles outlined in our Group Charter of Corporate Behavior and Code of Conduct reflect our commitment to ethical business practices, including our zero-tolerance stance against child and forced labour in our supply chains. These policies are communicated to all employees, emphasizing our collective dedication to upholding ethical standards.

Suppliers and employees have a responsibility to seek advice or report any activity or conduct that could potentially raise concerns or violate applicable laws through the Ethics Hotlines available.

We are committed to continually improving our framework, regularly reviewing, and updating policies and procedures to adapt to evolving legislation and risks.

Please visit our website for more information regarding our Corporate Responsibility and Initiatives.

[Sharp Global Corporate Responsibility and Initiatives](#)

Promoting Supply Chain Corporate and Social Responsibility

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

Sharp's business philosophy states, "Our future prosperity is directly linked to the prosperity of our customers, dealers and shareholders." In line with this, Sharp works with suppliers and all other stakeholders to provide solutions to social issues through business and to mitigate impacts on society and the environment as it pursues sustainable growth and mutual prosperity.

To these ends, Sharp emphasizes maintaining impartiality and fairness in all purchasing activities and chooses who it will procure parts, materials, and equipment from by providing Japanese and overseas suppliers with an equal opportunity to do business with Sharp. This opportunity includes a fair evaluation of whether a supplier meets Sharp's requirements in such areas as quality, standards, and performance.

Close Communication and Mutual Understanding

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

Sharp's basic concept, concrete policies, and requests to suppliers pertaining to procurement activities are set out in the Basic Purchasing Principles. In its Basic Purchasing Principles Requests to Suppliers, Sharp makes clear that it expects suppliers to actively work to ensure that, in addition to complying with all relevant laws, they are also in compliance with social norms, such as those regarding the arrangement of a proper labour environment, the prohibition of child and forced labour, the prohibition of discrimination, and the prohibition of bribery and unfair acts.

To deepen the understanding between Sharp and its business partners about sustainable procurement, Sharp communicates actively with supplier sales representatives on a daily basis.

Basic Purchasing Principles

Basic Procurement Concept

1. Sharp's procurement activities are conducted in an open and impartial manner, with a fair evaluation given to suppliers in and outside Japan.
2. Sharp's will comply with all laws and regulations and achieve mutual prosperity with suppliers.
3. Sharp will fulfill social responsibility such as the conservation of the environment through its procurement activities.
4. Sharp pursues optimal quality and cost to the fullest.

Related information:

- [Basic Purchasing Principles](#)

Participation in Industry Standard Initiatives

In December 2021, Sharp joined the RBA (Responsible Business Alliance), an alliance of companies that pursue social responsibility across the global supply chain. The RBA's vision and mission are shared throughout the entire Sharp Group. Sharp also actively participates in the activities of groups such as the Japan Electronics and Information Technology Industries Association (JEITA), through which it contributes to the promotion of industry-wide CSR procurement.

Supply Chain CSR Policies and Systems

The Sharp Group's fundamental policies with regard to CSR are established in the Sharp Group Charter of Corporate Behavior and the Sharp Code of Conduct. Every effort is made to ensure that all Sharp employees are aware of and adhere to these policies.

To enhance the Group's procurement system, an executive vice president was appointed as Chief Procurement Officer (General Manager of the Corporate Procurement Group) in October 2022. In June 2024, the Corporate Procurement Group was further elevated organizationally to operate as a business unit reporting directly to the President & CEO. The Group works in close coordination with the procurement departments of each business unit and subsidiary to promote sustainable procurement practices across the organization.

In addition, the Sustainability Committee, which is chaired by the President & CEO, has set supply chain ESG risk reduction as a key initiative. At committee meetings, members from relevant head office departments, along with business units and subsidiaries, share their policies and measures. The committee also monitors and manages progress on supply chain CSR-related measures.

Sharp Supply-Chain CSR Deployment Guidebook

To help suppliers understand and put into action CSR philosophy as stated in Sharp's Basic Purchasing Principles, in fiscal 2007 the company formulated and distributed its own Sharp Supply-Chain CSR Deployment Guidebook. The Basic Products Purchase Agreement also includes articles on CSR initiatives, based on the guidebook, that suppliers are requested to follow.

In fiscal 2015, Sharp fully revised the content of its guidebook to conform to the RBA Code of Conduct. Since then, it has revised the guidebook as needed in line with revisions to the RBA Code of Conduct. In this way, Sharp strives to comply with the increasingly sophisticated international standards for CSR.

Content of Sharp Supply-Chain CSR Deployment Guidebook

Labour

1. Freely Chosen Employment
2. Young Workers
3. Working Hours
4. Wages and Benefits
5. Humane Treatment
6. Non-Discrimination
7. Freedom of Association

Ethics

1. Business Integrity
2. No Improper Advantage
3. Disclosure of Information
4. Intellectual Property
5. Fair Business, Advertising, and Competition
6. Protection of Identity and Non-Retaliation
7. Responsible Sourcing of Minerals
8. Privacy

Management System

1. Company Commitment
2. Management Accountability and Responsibility
3. Legal and Customer Requirements
4. Risk Assessment and Risk Management
5. Improvement Objectives
6. Training
7. Communication
8. Worker Feedback and Participation
9. Audits and Assessments
10. Corrective Action Process
11. Documentation and Records
12. Supplier Responsibility

Related information:

- [Sharp Supply-Chain CSR Deployment Guidebook](#)

Promoting CSR Awareness and Conducting Risk Assessment at Suppliers

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

On the survey form, there are areas that conform to the RBA self-assessment questionnaire—labour, health and safety, environment, and ethics—as well as Sharp's own areas, which are biodiversity/chemical substances management and business continuity planning (BCP). In fiscal 2020, Sharp added another area, information security, to deal with the rise in cyber security risks across the supply chain. Through such efforts, Sharp assesses risk in a wider range of areas in response to changing conditions inside and outside of the company.

To help suppliers understand things like the purpose and background of the survey, Sharp adds its own explanations to major questions. This helps make the survey a medium that prompts suppliers to further their understanding of international CSR standards.

The survey is carried out separately at each factory that makes products for Sharp. Survey scorecards are given to participating suppliers and those with low-scoring areas are asked to submit corrective action plans. Through such post-survey communication with suppliers, Sharp is continuously working to improve CSR across the supply chain.

In fiscal 2023, the survey was carried out at 393 bases of 99 companies in Japan. At production and procurement bases in China and ASEAN countries, since fiscal 2017 Sharp has been introducing two types of supplier management systems through which it has been carrying out ongoing risk management equivalent to that of Sharp in Japan.

There has been increasing concern around the world in recent years about issues such as slave labour and forced labour. Europe and North America have led the way in enacting, enforcing, or discussing laws promoting due diligence of human rights in the supply chain. Examples include the Uyghur Forced Labour Prevention Act and the EU Corporate Sustainability Due Diligence Directive (CSDDD). With companies today expected to be stricter than ever in implementing CSR in the supply chain, Sharp makes human rights abidance in the supply chain key to the selection of suppliers.

Through such ongoing efforts, Sharp has found that across its supply chain there are no serious problems such as forced labour or child labour. If, through our continuing due diligence, it was determined that a human rights violation did occur, we would immediately enter into discussions with the supplier in question based on the supplier contract and take the necessary corrective and relief measures. If no remediation is expected, Sharp we will take strict measures, such as suspending transactions, while prioritizing relief measures for victims.

Sharp will continue to step up its efforts in response to trends in international human rights due diligence as it fulfills its corporate social responsibility in every facet of the supply chain.

Education for Procurement Personnel

To help all those in procurement positions company-wide improve their understanding and implementation of CSR, a thorough explanation of the Basic Purchasing Principles, along with a curriculum relating to supply chain CSR, is included in training materials for new employees, transferred employees, and management skills improvement. All Sharp Group employees also take compliance-related training based on the Sharp Code of Conduct, which covers topics such as respect for human rights.

Since February 2022, Sharp has been using the RBA e-Learning Academy to provide education on the RBA Code of Conduct to domestic and overseas staff, focusing primarily on those responsible for procurement. A total of 153 domestic procurement staff and employees have completed 765 courses. Sharp will continue to hold these educational programs to promote greater understanding of sustainable procurement.

Strengthening the Hotline and Consultation System for Suppliers

The Sharp Group utilizes the reporting systems operated by each Group company and has established a complaint handling mechanism through its membership in the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which receives and supports the response to complaints about human rights violations from a wider range of stakeholders both in Japan and overseas.

Sharp Corporation and its affiliated companies in Japan have set up the Crystal Hotline to handle organizational and individual legal and ethical violations. The hotline accepts reports and consultation requests from suppliers.

Additionally, in order to develop a grievance mechanism as required of companies by the United Nations Guiding Principles on Business and Human Rights (UNGPR), Sharp is a regular member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). Since October 2022, a broad range of stakeholders, including global supply chain employees, have been able to make use of JaCER's Engagement and Remedy Platform to submit reports in Japanese or English of human rights-related grievances.

Related information:

- [Japan Center for Engagement and Remedy on Business and Human Rights \(JaCER\)](#)

Audits and Education to Ensure Full Compliance with the Subcontract Act

Sharp Corporation and its affiliated companies conduct regular compliance checks and ongoing internal training to ensure adherence to the *Subcontract Act* (Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors), which is designed to protect the earnings of subcontractors.

Annual self-audits are carried out by business units, procurement divisions, head office departments, and domestic affiliates to promote thorough compliance. To further enhance awareness and understanding of the Subcontract Act, particularly among employees involved in procurement. Sharp implemented a range of educational initiatives in fiscal 2023. These included in-house study sessions at each domestic affiliate, e-learning programs reaching approximately 13,000 employees across the group, and participation in external seminars.

Responsible Minerals Procurement Initiatives

Policies and Systems for Responsible Minerals Procurement

In recent years, companies have had to expand the scope of their efforts regarding minerals, regions, and risks involved in the responsible procurement of minerals. This means not only abiding by legal frameworks such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of the United States and the EU's Conflict Minerals Regulation, but also taking a firm CSR stand in light of issues such as child labour and environmental destruction at mining sites.

In the supply chain for procuring minerals from conflict-affected and high-risk areas, Sharp has a policy in place to ensure it is not complicit in human rights abuses and environmental destruction, and so that it does not inhibit sound, legitimate business activities.

Based on this policy and the Sustainability Committee, which is chaired by the president & CEO of Sharp, we have made responsible minerals procurement a key theme. A survey system has been created in major business units and production subsidiaries, and we constantly check on the progress of relevant measures under this system.

Related information:

- [Responsible Minerals Procurement](#)

Cooperation with Industry

To ensure that responsible minerals procurement is carried out effectively, Sharp believes in the importance of collaborating with industries in Japan and other countries and acting based on widespread consensus. Since fiscal 2012, Sharp has been a member of the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA).

We also actively take part in JEITA's Responsible Minerals Sourcing Inquiry Briefings by helping in planning, creating documents, and joining the briefings as part of our efforts to spread understanding of responsible minerals procurement in the industry supply chain and boosting the capabilities of downstream companies. Together with JEITA, we periodically send outreach letters to smelters or refiners that are not yet participants of the RMAP*1 (created and operated by the RMI*2) urging them to undergo audits. These efforts are part of our contribution to effectively stamping out human rights abuses and other problems in the global procurement of minerals.

Furthermore, since December 2021, Sharp has been a member of the RMI, working to deepen our global collaboration and due diligence initiatives while ensuring we stay abreast of the latest international developments relating to responsible minerals procurement.

- *1 RMAP (Responsible Minerals Assurance Process) is an RMI program for validating conformance of RMI-listed smelters or refiners.
- *2 RMI: Responsible Minerals Initiative.

Survey Activities in Accordance with International Standards

Sharp uses the RMI's international reporting templates (CMRT*3 and EMRT*4) to conduct surveys on 3TG (tantalum, tin, tungsten, and gold), as well as minerals such as cobalt and mica if requested by customers. In the surveys, primary suppliers are urged to procure minerals from RMAP-conformant smelters or refiners. And based on the CMRT and EMRT returned by survey participants, we identify and evaluate risk based on the OECD*5 Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

In fiscal 2023, as a result of about 330 surveys carried out at major business units and production subsidiaries, 339 smelters and refiners were identified and the RMAP conformance rate was about 79%*6.

For smelters and refiners that are not yet conformant with RMAP and those with high risk levels, we urge their participation in RMAP through the supply chain. If any smelters or refiners have been found to be dealing with militant forces or complicit in serious human rights abuses, this information is shared with suppliers, with whom we discuss measures such as switching to RMAP-conformant smelters or refiners.

- *3 CMRT (Conflict Minerals Reporting Template) is a free, standardized reporting template developed by the RMI.
- *4 EMRT (Extended Minerals Reporting Template) is a free, standardized reporting template developed by the RMI. It covers the cobalt and mica supply chains.
- *5 Organization for Economic Co-operation and Development.
- *6 Conformance rate as of July 2024.

Education and Awareness Raising on Responsible Minerals Procurement

To deepen employees' understanding of responsible minerals procurement, as a rule we hold monthly meetings with those in charge of surveys at major business units and production subsidiaries, where participants share information on the latest international developments and discuss practical survey issues and how to improve the survey system. Procurement personnel and new employees take part in periodic supply chain CSR training, which covers responsible minerals procurement. Another way we further employees' understanding on responsible minerals procurement is by uploading new and relevant material to the management skills improvement training page on the Sharp intranet.

Due Diligence Efforts in Line with OECD Guidance

To carry out responsible minerals' procurement, Sharp integrates into its management a five-step framework for risk-based due diligence recommended in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

OECD Five-Step Framework	What Sharp Is Doing
<p>Step 1: Establish strong company management systems</p>	<ul style="list-style-type: none"> • Formulate and make public a policy for responsible minerals procurement and convey this throughout the company and industry. • Make responsible minerals procurement a key theme under the Sustainability Committee and constantly check on the progress of relevant measures. • Put articles, including responsible minerals procurement requirements, of the Sharp Supply-Chain CSR Deployment Guidebook into basic parts purchase agreements. • Take part in JEITA's Responsible Minerals Sourcing Inquiry Briefings and promote capacity building through supplier mobilization.
<p>Step 2: Identify and assess risk in the supply chain</p>	<ul style="list-style-type: none"> • Conduct supplier surveys using CMRT and EMRT. • Use a proprietary survey system to check CMRT/EMRT returned by suppliers and assess risk. (Detect and identify risks according to Annex II of the OECD Guidance.)
<p>Step 3: Design and implement a strategy to respond to identified risks</p>	<ul style="list-style-type: none"> • Provide suppliers with information on high-risk smelters/refiners and urge them to stop using such smelters/refiners.
<p>Step 4: Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain</p>	<ul style="list-style-type: none"> • Periodically confirm and verify RMAP audit results on the RMI website. • Work with industry in sending outreach letters to smelters/refiners that are not yet participants of RMAP urging them to participate.
<p>Step 5: Report on supply chain due diligence</p>	<ul style="list-style-type: none"> • Disclose the state of due diligence in the Sharp Sustainability Report.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year April 2023 to March 2024.

Carmine Cinerari

I have the authority to bind Sharp Electronics of Canada Ltd.

Carmine Cinerari

President & CEO, Sharp Electronics of Canada Ltd.

1st May 2025