

## **Sharp India Limited Code of Conduct**

This Code of Conduct has been adopted by the Board of Directors of the Company as required under clause 49 of the Listing Agreement with the Stock Exchange and is applicable to the directors and senior management personnel of the Company

### **I Practice of Fair and Open Management**

#### **I-1. To Practice Legal Compliance, Ethical Business Conduct, and Fair and Impartial Management**

- 1) In our corporate business activities and the performance of our tasks, we will comply with all national and local laws and regulations, and with international rules and internal company rules, and will follow accepted social norms and business ethics, and will take reasonable actions. If we become aware of acts that violate any of the above, we will immediately inform our superiors, the responsible department, or the contact liaison designated to receive such reports at each company, of such acts.
- 2) In our business activities, we will not commit individual acts of making false, misleading, or fraudulent reports, or acts that conflict with the interests of Sharp India Limited or Sharp Group companies. Furthermore, whenever it appears that our individual acts may conflict with the interests of the Sharp India Limited or Sharp Group companies, we will, in advance, confirm with our superiors and the responsible department of each company about the details of what we are working on. We will put the acts in question into practice only when the company confirms that there will be no conflict.
- 3) We will comply with all national and local laws, regulations, and standards related to accounting, and will conduct all applicable accounting processing and accounting reporting in accordance with the fair accounting principle.
- 4) We will work to be cooperative in the maintenance of social order, and will not engage in antisocial activity. In the event we receive any communication from antisocial forces or organizations, we will immediately inform our superiors or persons in charge within the company. If antisocial forces or organizations demand that we carry out unjustifiable and/or illegal requests or transactions, we will deal with them in a resolute manner.
- 5) We will develop and follow a risk management system, allowing us to understand the risks related to each of our own tasks from the standpoint of business environment, finance, law, human resources, labor management, business operations, the natural environment, ethics, and other factors, and will carry out these tasks in compliance with internal company rules and standards. We will work to take proactive measures to prevent these risks from becoming problematic.

#### **I-2. To Prevent Corruption in all its forms**

- 1) At home or abroad, we will not entertain public officials (and the like), customers, or business partners, nor will we give them money or goods directly or indirectly, or provide any other economic benefits, or make such proposals and promises to

them, as such activities are prohibited by applicable laws and regulations in each country and region. Nor will we extort and accept them.

- 2) We will not provide any money, goods, or entertainment beyond socially acceptable courtesies in each country and region even if they are in accordance with all applicable laws and regulations. Nor will we accept them.

### **I-3. To Handle Contributions, Gifts and Political Donations Fairly and Appropriately**

- 1) Regarding contributions and gifts, we will handle them with transparency and rationality and observe applicable laws and regulations, as well as relevant internal company rules, in order to ensure that they do not fall under the category of provision of illicit profit or improper payments.
- 2) Regarding political donations, we will observe all applicable laws and regulations and we will ensure transparency and proceed in strict conformance with internal company rules when making such donations in line with the company policy to build a healthy and responsible relationship with politics and government.

## **II Enhancement of Customer Satisfaction**

### **II-1. To Create and Supply Innovative, Original Products and Services that Meet Every Needs of Customers**

- 1) We will constantly work to conduct proper research, surveys and studies on the needs of our customers.
- 2) We understand that innovative, original products and services are those that impress customers and that have value from the perspective of saving resources and conserving the environment. We will work to develop business models and key technologies that will form the core of such products and services.

### **II-2. To Ensure the Safety, Quality and Reliability of Products and Services**

- 1) In each country and region where we do business, we will observe all safety laws and regulations, and safety standards applicable to products and services, as well as internal company rules.
- 2) Always being conscious of "Quality First in Heart and Mind," we will make safety and quality our first priority. Therefore we will always strive to conduct ourselves in the following ways:
  - Take all possible measures to maintain and assure product safety and quality.
  - Pursue our commitment to safety at every step of research and development, procurement, production, distribution, and after-sales service.
  - Make our utmost efforts to prevent the occurrence of accidents and problems by providing clear, easy-to-understand instruction manuals, and ensuring that products bear effective labeling for proper and safe use.

- 3) We will always evaluate the safety, quality, and reliability of products and services from the customer's point of view. Should a product or service distributed or provided by the Sharp India Limited or Sharp Group companies have caused damage or injury to the life, person, or property of a customer, or if there is a risk of the same, or in the event that a product quality issue has arisen that negatively affects the reputation of the company, we will immediately notify our superiors and promptly take appropriate measures in accordance with internal company rules.

### **II-3. To Gain the Trust of Customers and Ensure Their Satisfaction**

- 1) We will conduct sincere and good-faith sales operations and service operations, taking into account the social conventions of each country and region.
- 2) We will actively and in an easy-to-understand way, provide customers with accurate information related to the functions and features of our products and services, as well as information on correct usage and precautions for their safe use, environmental attributes, maintenance, storage and the economic, environmental and social impact.
- 3) In order to deliver ultimate satisfaction to our customers, we will fully take into consideration the viewpoint of our customers and will handle inquiries and complaints from them in a kind, courteous manner, in accordance with internal company rules and guidelines. In addition, we will strive to act in a manner that meets or exceeds our customers' expectations by responding in good faith. We will also provide appropriate feedback on major complaints to the relevant departments in order to prevent a recurrence of similar problems.
- 4) In order to take full advantage of the opinions and expressed needs of our customers, which we regard as basic information necessary to conduct our business activities, we will promptly communicate such feedback in the form of concrete proposals for improvement to the relevant departments, including development and engineering, product/service planning, and quality control departments in accordance with internal company rules and guidelines.

## **III Disclosure of Relevant Information / Protection and Security of Information**

### **III-1. To Disclose Relevant Information in a Timely and Appropriate Manner**

In order to fulfill our corporate accountability for shareholders, investors, and other stakeholders, we will work to compile such information with an emphasis on accuracy and fairness. We will also work to increase the transparency of our business operations through the disclosure of significant corporate information related to our economic, environmental and social aspects in a timely and appropriate manner to these stakeholders.

### **III-2. Information Protection**

- 1) We recognize that divulging technological or business secrets (trade secrets) of the Sharp India Limited or Sharp Group companies or trade secrets disclosed to us from third parties would cause a great loss to the Sharp India Limited or Sharp Group companies and relevant third parties. We will manage and protect and secure these trade secrets appropriately in accordance with relevant national and local laws and regulations and internal company rules. We will not divulge or

disclose trade secrets to others without the requisite authorization or permission, nor will we make use of a trade secret beyond its authorized intended purpose.

- 2) We will strictly manage information about an individual, which has been obtained from customers, business partners, or employees. We will also use our best efforts to protect and secure the information in a way that prevents the contents from being divulged or tampered with.

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

### **IV-1. To Conserve the Environment**

- 1) We will comply with all applicable environmental laws, regulations, and regional agreements, and make voluntary efforts to practice effective use and saving of resources and energy, in the recognition that global environmental conservation is an essential facet of corporate and individual pursuits.
- 2) We will work aggressively to reduce greenhouse gas emissions in all business activities, in order to contribute to the prevention of global warming.
- 3) To deal with environmental issues on a global scale, we will promote the sharing and practical application of energy-saving actions and environmental conservation technologies among the Sharp Group companies in each country and work to contribute to reducing environmental load.
- 4) We recognize that maintaining an eco-system where diverse living organisms coexist brings about a rich environment in which both corporations and individuals can operate and live. To that end, we will work actively to conserve biodiversity and promote the sustainable use of biological resources.
- 5) In order to promote communication with local residents and other stakeholders, we will engage in acquiring environmental information at an international level, and providing internal reports thereof, and work to actively make disclosure to the local community and other stakeholders.

### **IV-2. To Develop Environmentally Conscious Products and Services, and Conduct Our Business Operations in an Environmentally Conscious Manner**

- 1) We understand the importance of internal company systems and the efforts needed to enhance measures based on Sharp Group's environmental policy, and we will observe relevant internal company rules.
- 2) Toward the minimization of our consumption of natural resources such as energy, water, minerals, and the like, we will positively engage in reduction in the size and weight of products, use of recycled materials, and the development of products and services that contribute to energy-saving, energy-creating and long life of products.
- 3) We will work to compile information related to harmful substances that might damage the environment or human health, and will not, as a matter of principle, make use of these harmful substances in our products and services.

- 4) We will ensure proper use and control, and also reduce our consumption of chemical substances in our business activities, including research, development, and manufacturing, at levels meeting or exceeding those stipulated by laws and regulations.
- 5) We will, as a matter of policy, design recycling-conscious products with structures that are detachable and decomposable and will use recyclable materials wherever possible.
- 6) As to the resources needed for business activities (equipment, raw materials, subsidiary materials, tools, etc.), we will work to select and purchase such resources that have the least adverse effect on the global environment, the local residents and employees.
- 7) We realize that waste material is a valuable resource, and we will actively take part in maximizing the 3Rs(reduce, reuse, recycle) and minimizing the amount of final waste disposal.

## **V Sound, Equitable Economic Activities**

### **V-1. To Engage in Fair and Free Competition and Provide Our Customers with High-Quality, Reasonably Priced Products and Services**

- 1) We will take no part in cartels or in bid riggings such as conferring and limiting on pricing among competitors, division of markets, production limitation and the like. Also, we will fully understand what cartels and bid riggings are, and will take the utmost care and will surely take actions to prevent any involvement on our part in such acts.
- 2) We will not engage in re-sale price maintenance, tying, or other acts that constitute unreasonable restraint of trade or restrictions on business transactions of our business partners.
- 3) We will not engage in acts that constitute unilateral changes in trade terms and conditions, compulsory purchasing, or similar acts that take advantage of our dominant bargaining position.
- 4) In advertising and the like, we will make customer-friendly representations based on factual and objective grounds, and will not engage in acts that constitute false or misleading advertising. Also, we will not offer excessive premiums as an accompaniment to sales nor employ deceptive sales practices.
- 5) We will not express any items related to social discrimination, impairing individual dignity, politics or religion in our advertising.
- 6) In addition, we will not engage in acts that violate competition laws, or laws and regulations relating to representations and the like.

### **V-2. Not To Engage in Unfair Competitive Acts**

- 1) We will not acquire the trade secrets of third parties by improper means. In addition, we will not acquire, use, or disclose trade secrets of third parties if we become aware that such trade secrets were acquired through improper means or that such trade secrets were acquired through proper means but were improperly disclosed to us.
- 2) We will not disseminate false information injurious to the business reputation of a competitor.
- 3) We will not use any indication of goods and services identical or similar to the indication of goods and services of third parties. In addition, we will not engage in acts that constitute imitation of the configuration of the product of a third party.

### **V-3. To Respect Intellectual Property Rights**

- 1) Based on the recognition that intellectual property rights ("IPRs") such as patent rights, utility model rights, design rights, trademark rights and copyrights as well as know-how are developed or acquired through tremendous investments by companies and are important assets of the companies, we will work proactively to create and utilize intellectual property.
- 2) In the event we create intellectual property in the course of our business activities, we will report this fact to the company without delay in accordance with internal company rules, will work to protect and manage the intellectual property, and will cooperate with the company in applying for patents and other IPRs regarding intellectual property to acquire the right.
- 3) In researching new technologies as well as developing, producing and marketing products, we will respect the IPRs of third parties and will not willfully infringe on these rights. Also, we will take the appropriate measures against a third party's infringement on our IPRs.

### **V-4. To Fully Comply With Export and Import Control**

- 1) To fully comply with security export control, in exporting any and all goods and in providing technologies from each of the Sharp Group companies, we will conduct a complete and careful investigation into whether such exports and provisions are subject to the export control laws and regulations of the relevant countries or regions for the maintenance of international peace and security. Further, we will carefully check whether there is a risk that the exported goods or the provided technologies will be used for purposes such as weapons development, considering the application, end-user and form of transaction.
- 2) Regarding goods and technologies to be exported and imported, we will perform all required export and import procedures in accordance with relevant laws and regulations, and relevant internal company rules.

### **V-5. To Practice Fair and Appropriate Purchasing Activities**

- 1) In selecting a vendor or supplier, we will conduct a fair and transparent evaluation and assessment in consideration of economic reasonableness as well as the

position of corporate social responsibility of potential vendors or suppliers including their legal compliance, business ethics, and environmental consciousness. As a global enterprise, we will work to open our doors widely without discriminating between domestic and foreign companies.

- 2) We will comply with laws and regulations related to purchasing transactions in each country or region. In addition, we will work to avoid complicity with human rights violations, environmental destruction and the like directly or indirectly through purchasing transactions, and we will not engage in acts that are questionable from the standpoint of business ethics.

#### **V-6. Not To Engage in Insider Trading**

- 1) Taking advantage of a position to have ready access to certain information which could potentially have a significant effect on the prices of Sharp Group companies' stock or of our business partners' stock listed in stock markets, or gaining access to such information through or as a result of our tasks, we will not engage in buying or selling nor recommend the buying or selling of stocks using such so-called insider information prior to the public announcement of the information in question.
- 2) We will not give such insider information to directors, officers and employees of the Sharp Group companies who do not require the information in question for their tasks, nor to third parties (customers, family members, friends, etc.).

#### **VI Respect for Human Rights**

- 1) We respect the fundamental human rights and the dignity of individuals in all business activities, and will not be complicit in human rights violations. In case business activities, products and services are found to adversely affect human rights, we will take all appropriate measures.
- 2) We will not sanction child labor or any form of forced labor, and we will support its effective abolition.
- 3) In any corporate activities, including employment practices such as hiring, payment, promotion, opportunities for training and the like, we do not take any action that constitutes discrimination based on nationality, race, ethnic group, color, sex, physical health, pregnancy, sexual orientation, age, marital status, religion, creed, social status, birth, property, bodily feature, physical or mental disability, political opinion, and the like.
- 4) We do not engage in acts and speech that constitute inhumane acts, such as abusive behavior, expressions of contempt, verbal abuse, sexual harassment, power harassment and the like, in our offices and other work places.
- 5) Based on global standards and applicable laws and regulations, we will respect and consider the rights of employees, such as freedom to associate, freedom to join a trade union, freedom to take industrial action, freedom to join a worker's council and the like without revenge, threats, and/or harassments to employees.

#### **VII Creating a Safe, Fair, Motivating Work Environment**

- 1) We will actively make efforts to create a safety-first workplace environment and to manage proper working time and the like by placing maximum priority on human life, and by complying with global standards, the laws and regulations and internal company rules relating to work conditions and occupational health and safety. In addition, we will proactively take part in measures related to disaster prevention and appropriate emergency responses, to secure the peace and safety of employees and the local community.
- 2) Based on a policy of "Healthy Employees Support Healthy Business," we will actively take part in efforts to enhance and maintain our health including that of our families.
- 3) We will actively take part in efforts to enhance the work environment where employees with diverse characteristics, such as challenged, elderly, female, and foreign national and the like, can fully demonstrate their abilities.
- 4) In order to achieve a healthy work-life balance, we will guarantee statutory public holidays. In addition to this, we will also actively implement measures that raise both corporate productivity and employees' job satisfaction levels by improving a working environment in which employees can work flexibly, such as various holiday system and the like .
- 5) We will respect the personality and individuality of each employee, in order to foster a workplace atmosphere that emphasizes individual initiative and creativity, and to enable all employees to fully demonstrate their skills and abilities and to achieve our business objectives.
- 6) We will continuously work to raise our business skills and abilities through measures such as active implementation of various training programs and human resource development systems.
- 7) We will not slander or libel a company or person, nor will we engage in speech or behavior that could be mistaken for slander or libel.
- 8) As an employee working for a corporation, we will apply common sense, and will work to improve ethical standards and good manners.
- 9) As an employee working for a corporation, we will apply common sense, and will work to improve ethical standards and good manners.
- 10) We will properly manage all types of company assets (tangible and intangible assets, including information, products, equipment, tools, consumables, intellectual property, and brands) in accordance with internal company rules, and will not misuse or make improper use of them (such as diverting to personal use or allowing unauthorized use for a third party), while employed and even after employment ceases.

## **VIII Harmony with the Community**

- 1) When engaged in international business, not only will we comply with international rules, local laws, and regulations, but we will also work to contribute to building a relationship of mutual cooperation and trust with local communities, local

businesses, relevant authorities, and other organizations. In addition, we will work to understand the social conditions of each country and region. By conducting business operations giving full consideration to local traditional cultures and customs, we will also strive to participate in contributing to the local community.

- 2) We will actively work to cooperate in social contribution programs, including those in the fields of the environment, education, and social welfare.
- 3) We will actively work to contribute to the local community through participation in, donation to, and support for or co-sponsoring of community events.
- 4) In addition, we will work to take an active part in volunteer activities and raise our awareness about the benefits of and opportunities in social contribution programs.

## **IX Duties of Independent Directors:**

### **Duties of Independent Directors:**

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

(10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information , unless such disclosure is expressly approved by the Board or required by law.”

**X: Right to Amend:**

The directors of the Company may amend this Code of Conduct as and when necessary to conform it with the applicable , laws, regulations and business environment etc.

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