Beatriz Balbin  
Chief  
Special Procedures Branch  
OHCHR

RE: Reply to the Joint Communication from Special Procedures (AL OTH 105/2021)

Dear Ms. Beatriz Balbin,

As a signatory to the United Nations Global Compact, we fully support the 10 principles of the Global Compact, and have formulated and published the "Sharp Group Charter of Corporate Behavior" and the “Sharp Code of Conduct" as a guideline that all officers and employees should comply with.

The "Sharp Code of Conduct" clearly states, as our basic policy, that we respect the fundamental human rights and the dignity of individuals in all business activities, and will not be complicit in human rights violations, as well as support its effective abolition.

Regarding Chinese company whose relationship with our company was pointed out in the ASPI report in March 2020, as a result of an internal investigation, no direct or indirect business relationship was confirmed. In addition, based on the information obtained from the results of subsequent verifications by third parties and the results of our own measures, we recognize that our company was not involved in the forced labor issue in the Xinjiang Uygur Autonomous Region.

However, under the above basic policy, we are paying close attention to the issue of forced labor in the Xinjiang Uighur Autonomous Region, and in order not to be complicit in such human rights violations in the future, from a preventive perspective, we plan to further expand our human rights due diligence efforts in the supply chain in line with the United Nations and other internationally recognized norms and standards.

We have formulated and published the "Sharp Supply Chain CSR Deployment Guidebook" that complies with the RBA Code of Conduct, and we are using it as a guideline for CSR initiatives at our own factories and supplier factories. As a measure to identify, prevent, and mitigate human rights violations in our supply chain, we conduct an annual risk assessment at our own factories and major supplier factories regarding the status of CSR initiatives based on the guidebook. If the risk assessment shows that the efforts are inadequate, we request the supply chain to take necessary corrective actions and take measures to prevent human rights violations. At present, the fact of participation in such human rights violations has not been confirmed.
We require suppliers to comply with the “Sharp Supply Chain CSR Deployment Guidebook” in the basic purchasing agreements concluded with our direct suppliers. The guidebook clearly requires suppliers and their supply chains, including their subcontractors and labor agents/contractors, to support and practice the guidebook in addition to voluntary CSR efforts.

Our guidebook also includes requirements such as risk assessment, auditing, training and capacity building, and establishment of a whistleblower system, which are recommended as "cascading" requirements in the 2018 report of the Working Group to the General Assembly. Through this, we are exerting influence over the entire supply chain and working toward the effective abolition of human rights violations. In the unlikely event that a case of suspected human rights violations is confirmed in our supply chain, we will immediately request confirmation of the facts and necessary corrective action. If no improvement is expected, we will take strict measures including suspension of transactions based on the contract.

In addition, we conduct annual compliance training based on the Sharp Code of Conduct for all officers and employees of the Group to ensure respect for human rights. We also strive to foster a common understanding of our policies with our suppliers through annual surveys and post-survey communication.

We have established an internal grievance system that accepts complaints and consultations regarding acts that deviate from the "Sharp Code of Conduct" at major business bases in Japan and overseas. The contact point for reporting and consultation is open to the public on the website. As an example, in Japan, in addition to the in-house contact point, we have set up a contact point by an outside law firm to accept reports from not only our employees but also the employees of our suppliers. Through these, the Investigation Committee deliberates and implements necessary corrective actions in order to resolve various issues promptly and appropriately.

In addition, important matters related to personnel and labor are deliberated by the Labor and Social Security Attorney Committee, which includes representatives of the labor union, and appropriate measures are taken.

The Sharp Group has not confirmed any human rights violations alleged in this letter and has not reported them to the relevant authorities in each country, and currently has no cooperative relationship with any particular civic group or relevant authority.

In the future, we plan to take appropriate measures while deepening cooperation with related stakeholders such as international organizations and organizations.

Sincerely,

Internal Control Planning Division,
Sharp Corporation