

# Keyence Corp.

**TICKER**

TSE:6861

**MARKET CAPITALIZATION**

US\$74 billion

**HEADQUARTERS**

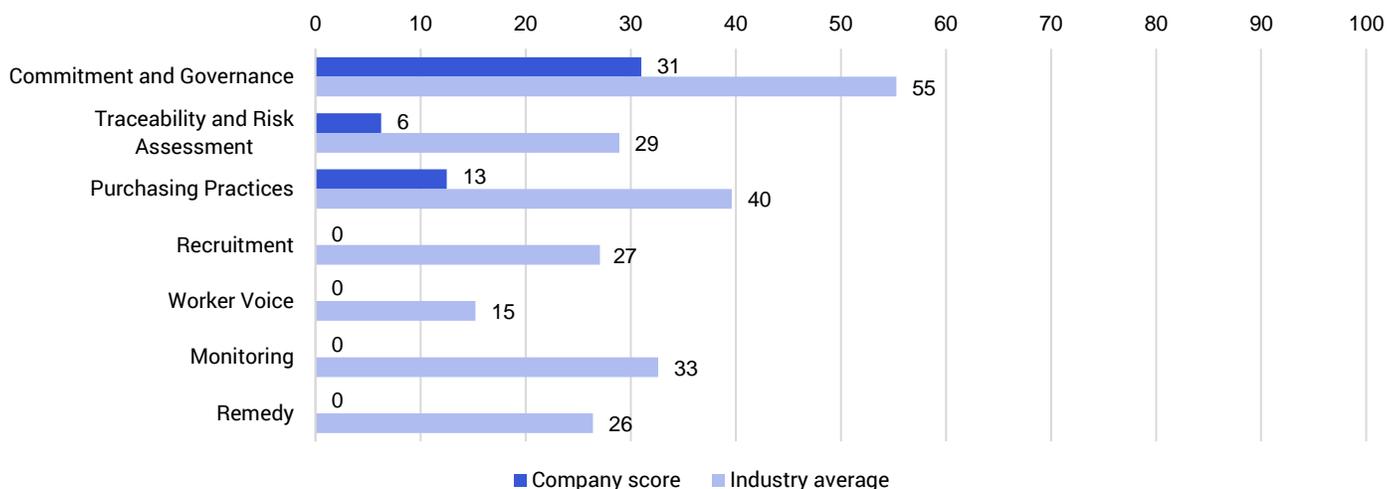
Japan

**COMPLIANCE**
**UK Modern Slavery Act:** [Disclosure available, but not compliant](#)
**California Transparency in Supply Chains Act:** [Not applicable](#)
**COMMITMENTS**
[No](#)
**COMPANY'S OVERALL RANKING**
**35 out of 40**

(2016: 20 out of 20)

**COMPANY'S OVERALL SCORE**
**7 out of 100**
**SUMMARY**

Keyence Corp. (Keyence) is an electronics components company. It ranks 35th out of 40 companies, disclosing less information on its forced labor policies and practices than its peers across all themes. Since 2016, its score has improved from zero to seven and it no longer ranks at the bottom of the benchmark. This is because the company has disclosed a board-approved statement under the UK Modern Slavery Act and procurement guidelines for suppliers that reference forced labor, child labor and discrimination, and has disclosed that forced labor provisions are integrated in its supplier contracts. The company has an opportunity to improve by assessing forced labor risks across its supply chains, and by improving its performance and disclosure on the themes of recruitment and monitoring.

**THEME LEVEL SCORES**


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## LEADING PRACTICES

None

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## NOTABLE FINDINGS

**Commitment and governance:** In its modern slavery statement, the company notes that it "makes efforts to respect human rights in our supply chain". It has further developed procurement guidelines for suppliers that reference forced labor, child labor, and discrimination. The company discloses that its "Board of Directors approved the statement of UK Modern Slavery Act, including supply chain policy addressing human trafficking and forced labor."

**Traceability:** The company demonstrates some efforts to trace its supply chain, by disclosing it is "investigating supply chains using tools provided by the Responsible Minerals Initiative (RMI) (formerly CFSI), an organization that promotes the responsible procurement of minerals."

**Integration in contracts:** The company discloses that its "guidelines and contracts for supply chains" require suppliers to respect human rights and eliminate forced labor.

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## OPPORTUNITIES FOR IMPROVEMENT

**Traceability and Risk Assessment:** To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor, and information on its suppliers' workforce. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

**Recruitment:** To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to ensure recruitment agencies used by its suppliers are audited, and to work with suppliers to guarantee migrant workers' rights are respected (e.g., to ensure workers' passports or other personal documents are not retained).

**Monitoring:** The company may consider adopting and disclosing a supplier monitoring process to verify that its suppliers are compliant with its supply chain standards. Implementing specific practices, such as interviewing workers and conducting unannounced audits of suppliers may help the company detect forced labor risks in its supply chains. Disclosing information on the results of its supplier audits, such as the percentage of suppliers audited annually or a summary of findings, assures stakeholders that the company has strong monitoring processes in place.

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## COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes](#)