

# Tokyo Electron Ltd.

**TICKER**  
TSE:8035

**MARKET CAPITALIZATION**  
US\$31 billion

**HEADQUARTERS**  
Japan

**COMPLIANCE**

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: [Not applicable](#)

**COMMITMENTS**

[Yes](#)

**OVERALL RANKING**

25 out of 40

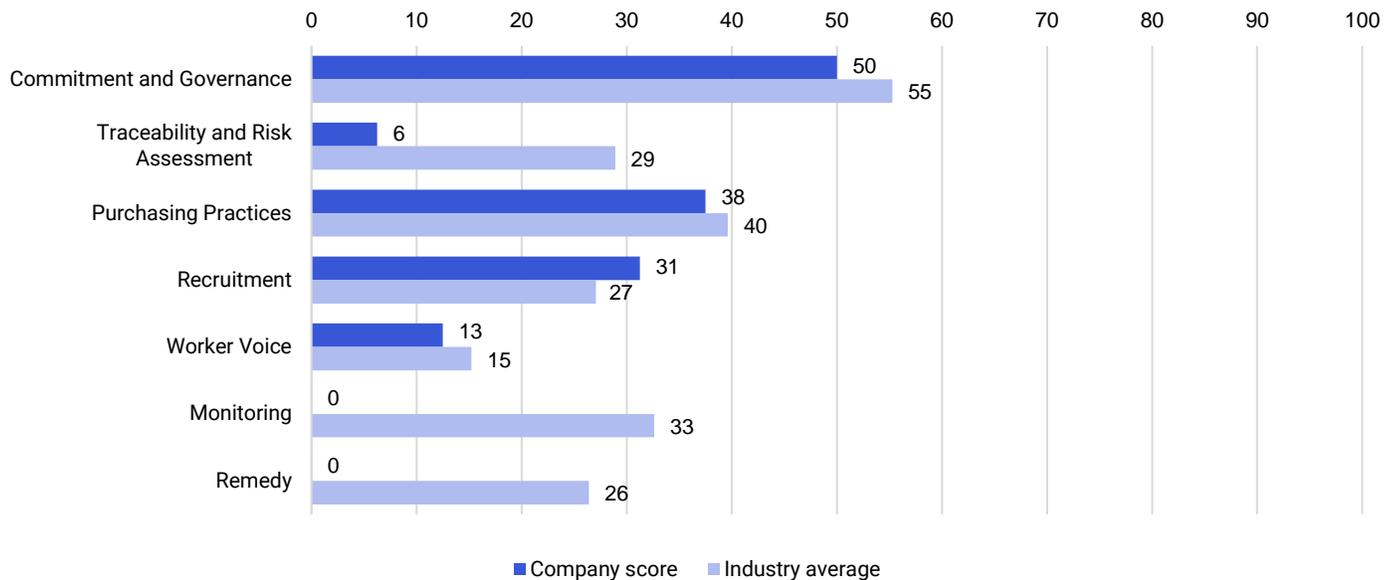
**OVERALL SCORE**

20 out of 100

**SUMMARY**

Tokyo Electron Ltd. (Tokyo Electron), a semiconductor equipment supplier to companies such as Intel, ranks 25th out of 40 companies. It discloses less information on its forced labor policies and practices than its peers across all themes except recruitment. The company has an opportunity to improve its performance and disclosure on the themes of traceability and risk assessment, monitoring, and remedy.

**THEME LEVEL SCORES**



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## LEADING PRACTICES

None

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## NOTABLE FINDINGS

**Commitment and Governance:** Tokyo Electron discloses that it shares its supplier code of conduct, which covers the ILO Declaration on Fundamental Principles and Rights at Work, with its suppliers, and that it holds "Update Briefings" and "Partners Days" with suppliers, where it shares "business policies and CSR activities". Further, the company discloses that it has a CSR promotion committee which sets goals and checks the progress of ongoing initiatives in semiannual meetings. In addition, the company holds monthly CSR meetings and discloses that it actively engages in international CSR organizations such as the Responsible Business Alliance.

**Purchasing Practices:** Tokyo Electron discloses that prior to entering a business relationship with suppliers, it conducts a "Total Quality Assessment" on their entire management systems. This assessment is stated to include human rights topics. Further, the company's supplier code includes a clause on cascading standards through its supply chains.

**Recruitment:** Tokyo Electron uses the Responsible Business Alliance's Code (version 6) as its supplier of conduct. This code includes a provision that workers should not pay fees for employment, should be reimbursed for where such fees have been paid, must be provided with a written employment agreement in their native language and must not have their passports retained or freedom of movement restricted.

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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.

**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.

**Remedy:** The company may consider establishing a process for creating corrective action plans with suppliers that are found to be in violation of workers' fundamental rights and freedoms (those articulated in the ILO Declaration on Fundamental Principles and Rights at Work). It may also consider designing a procedure to ensure remedy is provided to suppliers' workers in cases of human trafficking and forced labor.

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## COMPANY PROVIDED ADDITIONAL DISCLOSURE

The company disclosed a [notification regarding its statement under the UK Modern Slavery Act](#).