

ASML Holding NV

TICKER
AMS:ASML

MARKET CAPITALIZATION
US\$87 billion

HEADQUARTERS
Netherlands

DISCLOSURES
UK Modern Slavery Act: Yes

TARGETS
None

California Transparency in Supply Chains Act: Yes

OVERALL RANKING

30 out of **49**

(2018 Rank: 16 out of 40)

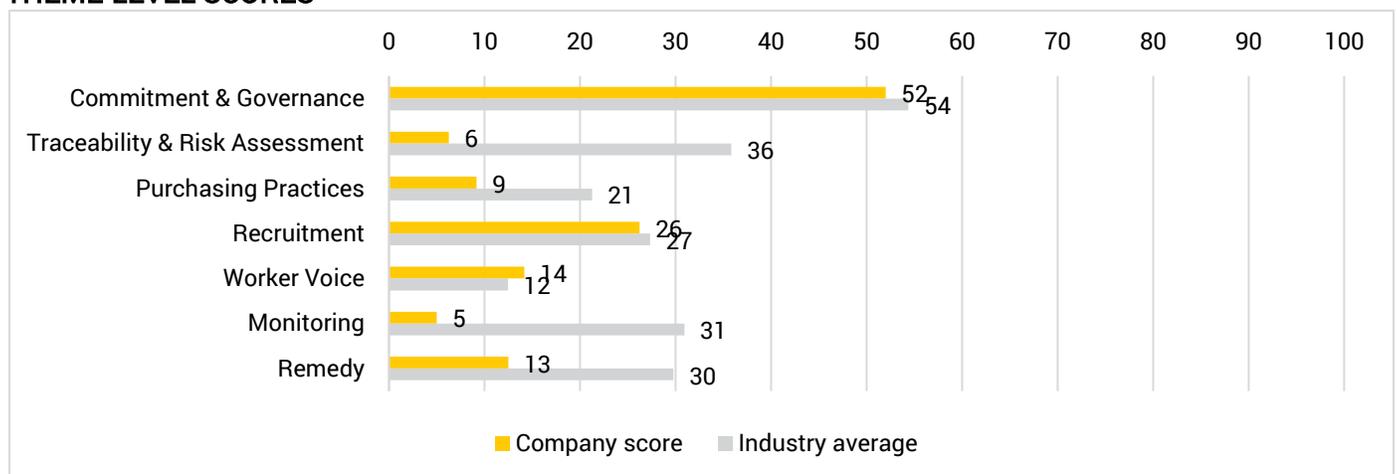
OVERALL SCORE

18 out of **100**

SUMMARY

ASML Holding NV (ASML), a semiconductor equipment supplier to companies including Intel, ranks 30th out of 49 companies and discloses significantly less information on its forced labor policies and practices than its peers. Compared to 2018, the company's rank decreased from 16 to 30, as the company does not seem to have taken additional steps to strengthen its performance and disclosure. The company's score is based on some disclosure across all themes. The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Worker Voice.

THEME-LEVEL SCORES



Research conducted through October 2019 or through January 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

KEY DATA POINTS**SUPPLIER LIST**

No

NO-FEE POLICY

Yes (Employer Pays Principle)

AVERAGE SUPPLIER SCORE

N/A

REMEDY FOR SUPPLY CHAINS WORKERS

No

HIGH-RISK SOURCING COUNTRIESLikely from Malaysia and/or China¹

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment & Governance: ASML uses the Responsible Business Alliance’s code (version 6) as its supplier code of conduct, which covers forced labor and requires suppliers to cascade standards to their own suppliers. The company makes the code easily accessible on its website and integrates its provisions into contracts with long-term suppliers. It also states that procurement managers receive training on the code.

Recruitment: ASML’s supplier code includes provisions that workers should not pay fees for employment, should be reimbursed where such fees have been paid, must be provided with a written employment agreement in their native languages, and must not have their passports retained or freedom of movement restricted.

Remedy: ASML states that all ethics-related complaints will be “thoroughly investigated” and that where it finds a violation, “appropriate action will be taken.” The company provides some indication of timelines: the person submitting a grievance will receive a confirmation of receipt within five working days, and two weeks thereafter will be informed on the admissibility of the complaint. ASML notes that, on average, closure of the matter can be expected within two months of admissibility.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to assess and disclose forced labor and human trafficking risks in different tiers of its supply chains. While the company undertakes efforts to trace its mineral supply chains, it may consider disclosing the names and addresses of its first-tier suppliers, the countries in which its below-first-tier suppliers operate, the countries from which it sources raw materials at high risk of forced labor, and several data points on its suppliers’ workforce.

Purchasing Practices: To address forced labor and human trafficking risks in its supply chains, the company is encouraged to assess the risks of forced labor at potential suppliers before entering into any contracts with them. It may also choose to adopt purchasing practices that decrease the risks of forced

labor and human trafficking, such as improving planning and forecasting or providing incentives (e.g., price premiums or increased orders) to suppliers to encourage or reward good labor practices.

Worker Voice: To prevent and address forced labor and human trafficking risks in its supply chains, the company may consider ensuring that its Speak Up Policy, or another formal and effective grievance mechanism, is communicated to its suppliers' workers. It may also consider disclosing data about the practical operation of the mechanism, such as the number of grievances filed by its suppliers' workers. Further, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights and are able to exercise their right to freedom of association and collective bargaining.

ENGAGED WITH KNOWTHECHAIN

Informal (i.e., engaged outside the formal three months engagement period).

¹ Most electronic devices are produced at least in part in China and/or Malaysia, two countries where electronics may be produced using forced labor. KnowTheChain (June 2020), "[2020 KTC ICT Benchmark Report](#)."