

Keyence Corp.

TICKER
TKS:6861

MARKET CAPITALIZATION
US\$74 billion

HEADQUARTERS
Japan

DISCLOSURES

UK Modern Slavery Act: Yes

TARGETS
None

California Transparency in Supply Chains Act: Not applicable

OVERALL RANKING

45 out of 49

([2018 Rank](#): 35 out of 40)

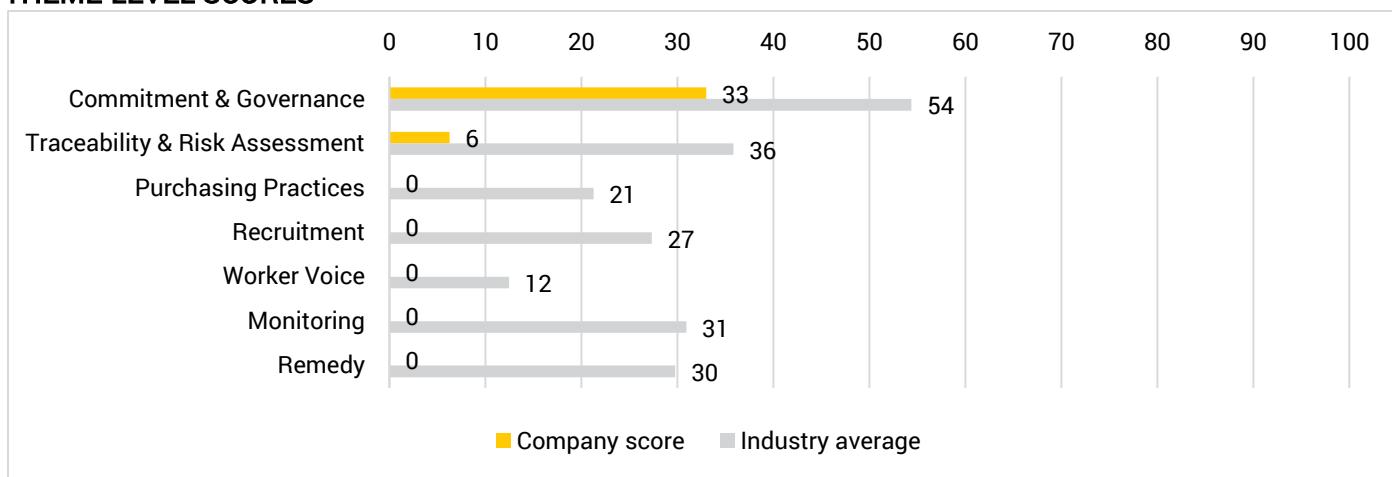
OVERALL SCORE

6 out of 100

SUMMARY

Keyence Corp. (Keyence), a manufacturer of electronic equipment, ranks 45th 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 score decreased from seven to six. This is because the company does not seem to have taken additional steps to strengthen its performance and disclosure. The company's score is based mainly on its disclosure on the theme of Commitment and Governance. The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, 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

AVERAGE SUPPLIER SCORE

N/A

HIGH-RISK SOURCING COUNTRIESLikely from Malaysia and/or China¹**NO-FEE POLICY**

No

REMEDY FOR SUPPLY CHAINS WORKERS

No

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment: Keyence discloses a commitment to addressing forced labor, stating that it is aware that the risk of forced labor is higher in its supply chains than in its own operations.

Supply Chain Standards: Keyence discloses its procurement guidelines, which prohibit forced labor and are easily accessible on its website.

Management and Accountability: The company states that its board of directors approved its statement made under the UK Modern Slavery Act as well as its “supply chain policy addressing human trafficking and forced labor.”

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labor and human trafficking risks in its supply chains, the company is encouraged to integrate supply chain policies that include forced labor in its supplier contracts. The company may further consider assessing the risks of forced labor at potential suppliers before entering into any contracts with them. They 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.

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company is encouraged to take steps to ensure that workers in its supply chains are not charged fees during any recruitment-related process. The company may further consider taking steps to ensure that such fees are reimbursed to the workers and/or provide evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains. The company is also encouraged to take steps to ensure that the rights of workers in vulnerable conditions, such as migrant workers, are respected (e.g., to verify workers' passports and other personal documents are not retained).

Worker Voice: To prevent and address forced labor and human trafficking risks in its supply chains, the company may consider ensuring that a formal and effective mechanism to report grievances regarding labor conditions is available and communicated to its suppliers' workers and relevant stakeholders, such as worker organizations or labor NGOs. 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](#)."