

# Tokyo Electron Ltd.

**TICKER**  
 TKS:8035

**MARKET CAPITALIZATION**  
 US\$31 billion

**HEADQUARTERS**  
 Japan

**DISCLOSURES**
UK Modern Slavery Act: Yes (Disclosure of Subsidiary)

California Transparency in Supply Chains Act: Not applicable

**TARGETS**

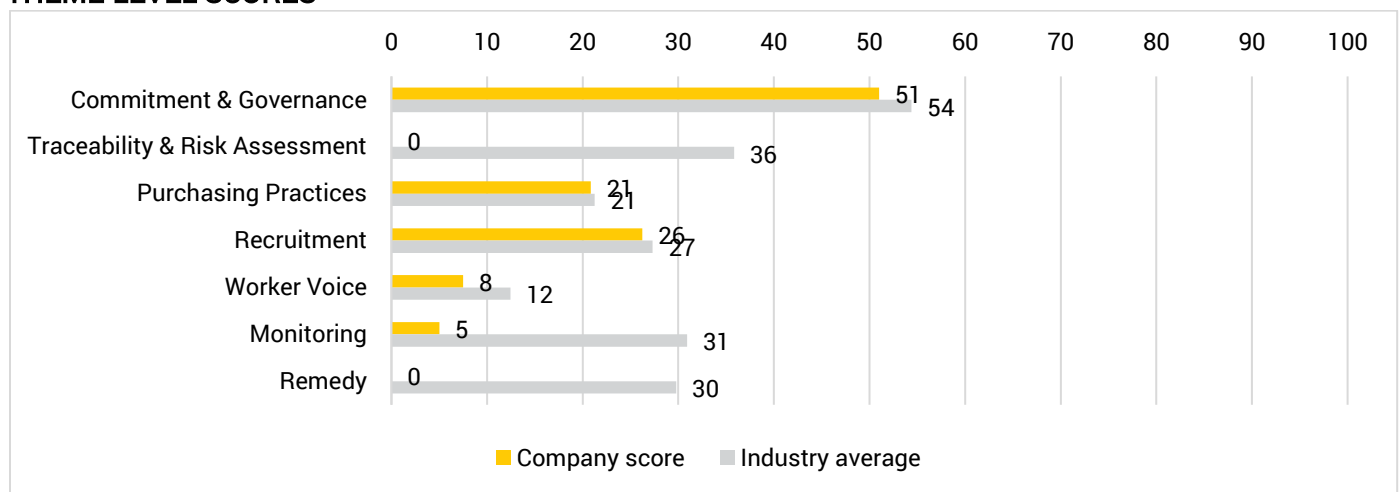
Yes

**OVERALL RANKING**
**33 out of 49**

(2018 Rank: 25 out of 40)

**OVERALL SCORE**
**16 out of 100**
**SUMMARY**

Tokyo Electron Ltd. (Tokyo Electron), a semiconductor equipment supplier to companies such as Intel and Samsung, ranks 33<sup>rd</sup> out of 49 companies and discloses less information on its forced labor policies and practices than its peers. Compared to 2018, the company's score decreased by four points as the company disclosed only limited improvements, namely training employees on forced labor risks. The company's score is based on its performance on the themes of Commitment & Governance, Purchasing Practices, and Recruitment. The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Worker Voice, and Remedy.

**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](#).

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**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 COUNTRIES**Likely from Malaysia and/or China<sup>1</sup>

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**LEADING PRACTICES**

None.

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**NOTABLE FINDINGS**

**Commitment & Governance:** Tokyo Electron discloses that it has established “a human rights project team with representatives from [its] legal/compliance, human resources, procurement, logistics and CSR departments.” The company further states that it trains all employees on human rights “to ensure a high level of understanding of the risks of modern slavery and human trafficking in [its] supply chains and [its] business.”

**Supplier Selection:** Tokyo Electron states that it ensures that a self-assessment that includes human rights is carried out before entering into a new supplier relationship. It further states that if it discovers any “risks to quality,” it visits suppliers to help them improve their processes.

**Recruitment:** Tokyo Electron uses the Responsible Business Alliance code (version 6) as its supplier code of conduct. It 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.

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**OPPORTUNITIES FOR IMPROVEMENT**

**Traceability & Risk Assessment:** To demonstrate a strong understanding of its supply chains, the company 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. The company is further encouraged to assess forced labor risks across its supply chains and disclose the risks identified.

**Worker Voice:** While the company discloses that its supplier hotline is accessible to its suppliers’ workers, it may consider taking steps to ensure that the availability of this hotline (or another effective grievance mechanism) is communicated to its suppliers’ workers. The company may also consider disclosing data about the practical operation of the mechanism, such as the number of grievances filed

by the 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.

**Remedy:** The company may consider establishing a process for creating corrective action plans with suppliers that are found to violate the [ILO core labor standards](#), which include the elimination of forced labor. It may also consider designing a procedure to ensure that remedy is provided to its suppliers' workers where such rights have been violated and disclosing examples of remedy outcomes for workers in its supply chains.

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**ENGAGED WITH KNOWTHECHAIN**

Yes ([Provided Additional Disclosure](#)).

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<sup>1</sup> 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](#)."