ICT Benchmark
COMPANY SCORECARD 2022

KLA Corp. (KLA)

TICKER
KLAC

MARKET CAPITALIZATION
US$61.9 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: No[1]

Australia Modern Slavery Act: Not applicable

OVERALL RANKING

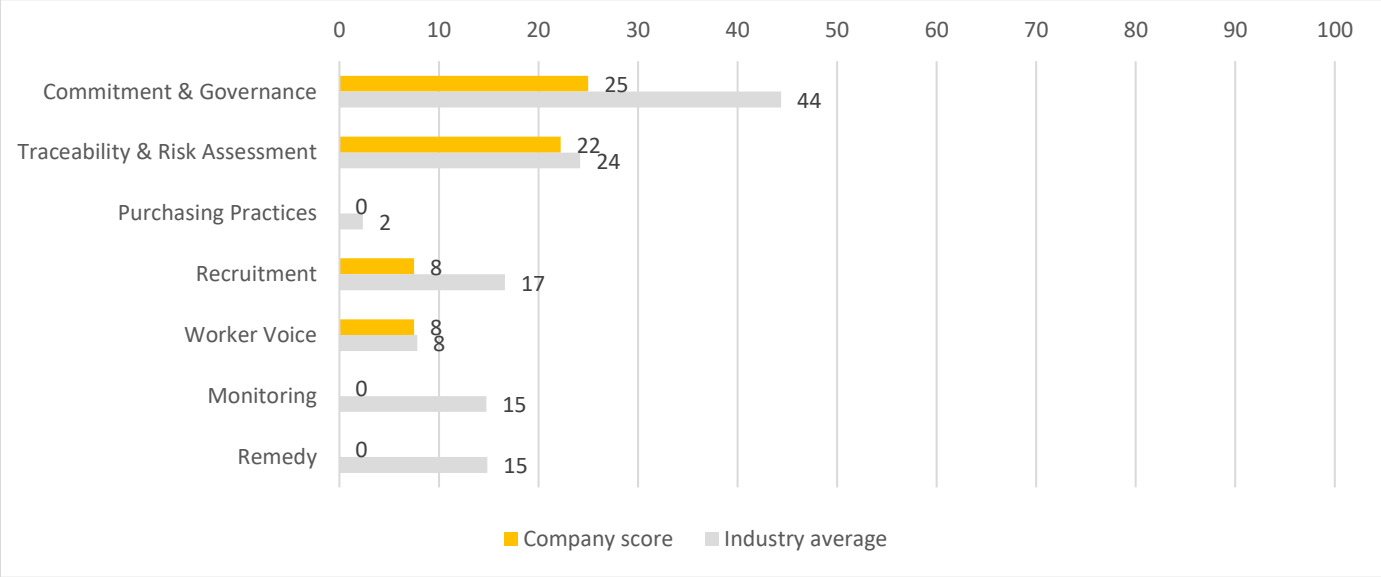
35 out of **60**

(2020 Performance)

OVERALL SCORE

12 out of **100**

THEME-LEVEL SCORES



KEY DATA POINTS

SUPPLIER LIST
No

RISK ASSESSMENT
No

ENGAGED WITH KNOWTHECHAIN[2]
Yes

NO-FEE POLICY
Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS
No

HIGH-RISK SOURCING COUNTRIES
Likely China and/or Malaysia[3]

SUMMARY

KLA Corp. (KLA), a semiconductor equipment company which supplies to companies such as Samsung, ranks 35th out of 60 companies. Since 2020, the company has improved by disclosing information on internal responsibility for implementing supply chain standards which address forced labour. The company's score is based on its disclosure of a supplier code of conduct which includes forced labour and prohibits worker-paid recruitment fees in its supply chains, information on the tracing of minerals used in the company's supply chains, and a publicly available grievance mechanism. The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Recruitment, and Monitoring.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to assess and disclose forced labour risks across different tiers of its supply chains, and disclose how it engages with relevant stakeholders to address forced labour risks identified.

Recruitment: The company discloses a policy that prohibits worker-paid recruitment fees in its supply chains. The company is encouraged to disclose how it ensures the implementation of this policy through the prevention of fees charged to workers in its supply chains: such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. disclose how it ensures the implementation of this through the prevention of fees in its supply chains: such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly.

Monitoring: The company is encouraged to adopt and disclose a supplier monitoring process to verify that its suppliers are compliant with its supply chain policies. Implementing specific practices, such as interviewing workers and in particular using worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities), may help the company detect forced labour risks in its supply chains. Disclosing information on the results of its monitoring efforts, such as a breakdown of findings, assures stakeholders that the company has strong monitoring processes in place.

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[1] The company may be required to report under the California Transparency in Supply Chains Act, but does not provide a disclosure. The company discloses a statement under the UK Modern Slavery Act, which however makes reference to the requirements of the California Transparency in Supply Chains Act, with reference to its supplier obligations only.

[2] For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2022 ICT benchmark findings report. Research conducted through June 2022 or through September 2022, 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.

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