

Tokyo Electron Ltd. (Tokyo Electron)

TICKER
 8035

MARKET CAPITALIZATION
 US\$81.8 billion

HEADQUARTERS
 Japan

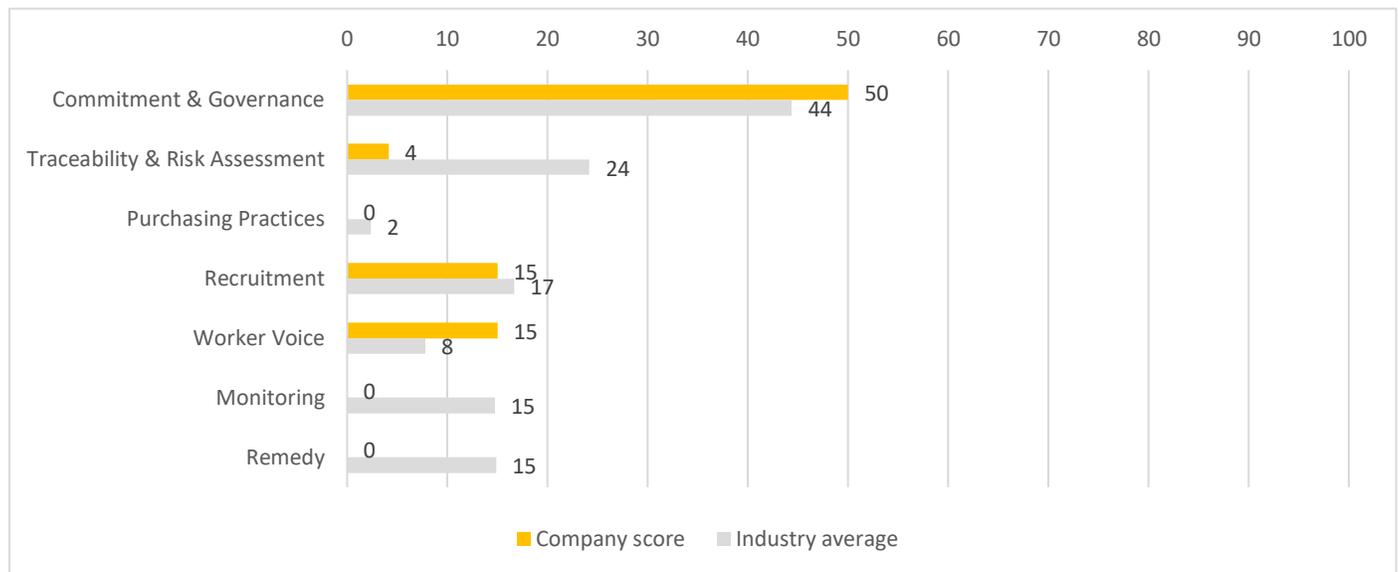
DISCLOSURES
[UK Modern Slavery Act](#): Yes

[Australia Modern Slavery Act](#):
 Not applicable

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

OVERALL RANKING
28 out of 60

(2020 Rank: 33 out of 49)

OVERALL SCORE
14 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
SUPPLIER LIST

No

RISK ASSESSMENT

Yes

ENGAGED WITH KNOWTHECHAIN¹

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes (Limited)

HIGH-RISK SOURCING COUNTRIES

China

SUMMARY

Tokyo Electron Ltd. (Tokyo Electron), supplier to companies such as Intel and Samsung, ranks 28th out of 60 companies. Compared to 2020, the company improved its rank by 5 places. This is because the company began disclosing some data on its grievance mechanisms, fee repayment to supply chain workers, a human rights due diligence process including assessment of forced labour risks at suppliers, and board oversight of forced labour policies and programmes. The company scores higher than average on the themes of Commitment & Governance and Worker Voice, and lower than average on all other themes. The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Monitoring, and Remedy.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Monitoring: The company references CSR assessments which are based on the audit standards of the Responsible Business Alliance but discloses no information on its monitoring methodology. 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.

Remedy: The company may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labour and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers.

¹ 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](#).