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Press Release

Ranking of 20 Information and Communications Technology Firms on Supply Chain Forced Labor Finds Far More Transparency and Action Needed
20 ICT companies, including Apple, HP and Canon assessed in new benchmark

San Francisco, CA - KnowTheChain today released its first benchmark findings on the efforts of Information and Communications Technology (ICT) companies to mitigate forced labor in their supply chains.

While the sector is showing some commitment and action, there is still far more to be done. Of the 20 global ICT companies evaluated in seven categories – including companies like Apple, HP and Canon – the average score was 39 out of a possible 100.

Forced labor in the private economy generates $150 billion in illegal profits every year. From hazardous conditions in cobalt mines to factory workers trapped in debt, major ICT companies have faced reputational risks through their supply chains. Many companies are now required to disclose steps they are taking to combat forced labor, under the UK Modern Slavery Act and the California Supply Chains Transparency Act.

Eighteen of the 20 companies have a public commitment to addressing forced labor, showing that they recognize the importance of the issue, but far fewer have the policies and practices in place to do so.

The major area for improvement found in the benchmark is worker voice (average score of 16/100). The ICT sector needs to enable workers at the lowest levels of the supply chain to communicate their concerns, represent their own interests, and advocate for their rights. Companies are disclosing too little information on how they ensure workers have a voice throughout their supply chain, including ensuring the right to freedom of association. One example of a company making progress on worker voice came from Microsoft, which reported recently launching an anonymous and factory-independent worker grievance tool.

"Forced labor will persist in the ICT industry unless workers at the lowest tiers of the supply chain can voice their concerns. Vulnerable migrant workers must be able to organize and to access trusted, reliable grievance mechanisms. We hope this benchmark spurs companies on the road to improvement," said Annabel Short, Business & Human Rights Resource Centre Deputy Director.

In addition to worker voice, companies were evaluated on: commitment and governance, traceability and risk assessment, purchasing practices, recruitment, monitoring, and remedy. There are significant differences among companies' overall score. HP (72) and Apple (62) score highest. Over half of the companies score under 50 points overall, and three companies (BOE Technology, Canon and Keyence) score under 15 points.

"While we recognize that some companies are trying to meaningfully address the issue of forced labor in their supply chains, this report demonstrates that far more can and should be done," said Ed Marcum, Humanity United Managing Director, the foundation leading KnowTheChain. *"For investors and consumers, this report also shines a light on those lagging companies who are doing little to fulfill their ethical and legal obligations."*

It is encouraging that the highest-scoring companies have strong policies in place to address exploitation through the recruitment process, including the reimbursement of recruitment fees when workers have had to pay them for their jobs. HP, in particular, has a standard in place that requires suppliers to directly employ their workers (rather than recruitment agencies acting as the employer), and that where possible the use of agents in the recruitment process is minimized.

Also promising are the results on traceability in supply chains. Following the United States' Dodd-Frank Act requiring disclosure around conflict minerals, some ICT companies are proving that supply chains can be traced to the level of commodities, where the risk of forced labor is the highest. The benchmark found that 16 of the 20 companies can describe their process to trace the presence of conflict minerals in their supply chains. KnowTheChain encourages companies to conduct specific risk assessments on forced labor along with their traceability efforts: only three companies provided examples of this.

"It's encouraging to see some companies have policies and practices in place to deal with a very difficult, but not intractable problem," said Shawn MacDonald, Veritè CEO. *"This report represents one of the most sophisticated analysis to date of what companies are reporting to the public on their efforts to eradicate forced labor. Now more than ever, companies have an opportunity to emulate and further develop the good practices noted in this report."*

The companies were selected for the benchmark on the basis of their size (market cap), and the extent to which they derive revenues from physical products, where the risks of forced labor are high. KnowTheChain assessed information available on each company's own website, as well as additional public disclosure that companies provided in response to engagement questions. Sustainalytics, a leading global provider of environmental, social and governance (ESG) research and ratings, supported the development of the benchmark methodology, conducted the company research and contributed to the key findings report.

"KnowtheChain's benchmark can serve as a valuable tool for investors to engage with ICT companies on forced labor in the supply chain," said Sustainalytics' Executive Vice President of Advisory Services, Simon MacMahon. *"We commend KnowtheChain for raising awareness of this important issue and look forward to seeing the impact of the benchmark."*

The full report and company scores can be found here: https://www.knowthechain.org/benchmarks/1/

KnowtheChain will release two additional benchmark reports in the next year. The next benchmarking reports will focus on the Food & Beverage, and Apparel & Footwear sectors.

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KnowTheChain is a resource for businesses and investors who need to understand and address forced labor abuses within their supply chains. It benchmarks current corporate practices, develops insights, and provides practical resources that inform investor decisions and enable companies to comply with growing legal obligations while operating more transparently and responsibly. www.knowthechain.org

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Overall Company Scores

Company	Score
HP Inc.	72
Apple Inc.	62
Intel Corp.	59
Cisco Systems Inc.	58
Microsoft Corp.	57
Ericsson	55
Samsung Electronics Co. Ltd.	54
Taiwan Semiconductor Manufacturing Co. Ltd.	52
Texas Instruments Inc.	48
International Business Machines Corp.	45
Qualcomm, Inc.	42
Hitachi Ltd.	34
Broadcom Ltd.	33
Foxconn Technology Group	29
ASML Holding N.V.	26
Murata Manufacturing Co. Ltd.	21
SK Hynix Inc.	18
Canon Inc.	12
BOE Technology Group Co. Ltd.	4
Keyence Corp.	0