



## **2020 Modern Slavery Transparency Statement**

**April 2021 reporting for fiscal year ending October 31, 2020**

Hewlett Packard Enterprise Company (“Hewlett Packard Enterprise” or “HPE”) is committed to combatting the risk of modern slavery in our global operations and supply chain. Transparency is a key part of this commitment and is essential to engaging companies, governments, investors, suppliers, recruitment agencies, workers, and other stakeholders in a broader dialogue on this important issue.

This statement is designed to meet Hewlett Packard Enterprise’s reporting obligations under the Australia Modern Slavery Act 2018, the UK Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act of 2010. HPE provides this joint statement for itself and on behalf of certain foreign subsidiaries that are directly covered by a disclosure obligation in their respective jurisdictions. Currently this includes Hewlett-Packard Limited,<sup>1</sup> pursuant to the UK Modern Slavery Act of 2015, and Hewlett-Packard Australia Pty Ltd, Hewlett-Packard South Pacific Pty Ltd, and HP Financial Services (Australia) Pty Ltd,<sup>2</sup> pursuant to the Australia Modern Slavery Act 2018.<sup>3</sup> HPE and its consolidated subsidiaries share the same core business operations and supply chains as well as modern slavery policies, processes, and risks further described in this statement.

We are incredibly proud of our leadership in the fight against modern slavery. The Thomson Reuters Foundation has twice recognized HPE for its leadership in combatting modern slavery in our supply chain and operations, awarding HPE the inaugural Stop Slavery Award in 2016 and recognizing our efforts again in February 2021 (with the application process taking place throughout 2020), making HPE the only two-time winner of the award. HPE also earned the highest ranking among 180 companies, including 49 of the largest global information communications and technology (ICT) companies, on KnowTheChain’s 2020 Benchmark. In addition, HPE ranked second among 44 of the world’s largest ICT companies in the 2020 Corporate Human Rights Benchmark.

Our Chief Executive Officer and Board of Directors, as well as the Nominating, Governance, and Social Responsibility (NGSR) Committee of the Board, oversee environmental, social, and

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<sup>1</sup> Hewlett-Packard Limited is a private limited company incorporated under the laws of England & Wales with company number 00690597 and its registered office at Ground Floor, 210 Wharfedale Road, Winnersh Triangle, Berkshire, RG41 5TP, United Kingdom.

<sup>2</sup> Hewlett-Packard Australia Pty Ltd, Hewlett-Packard South Pacific Pty Ltd, and HP Financial Services (Australia) Pty Ltd are based in Australia and were formed under the laws of Australia.

<sup>3</sup> This statement meets the requirements for approval and signature under Australia Modern Slavery Act 2018. This statement was approved by the board of HPE as the “higher entity” and signed by an HPE board member.

governance issues and are committed to operating HPE in a responsible manner. The NGSР guides HPE’s global citizenship activities, providing strategic direction on policies and programs related to human rights. The Board of Directors approves this annual company-wide modern slavery statement. The Global Social and Environmental Responsibility (SER) Team in the Ethics and Compliance Office, which resides within the Office of Legal and Administrative Affairs, works with our local country counsels’ offices, other members of local legal teams, operations and sales teams, and in consultation with the boards of our subsidiary entities, as appropriate, to develop, adopt, and approve statements that are responsive to local requirements.

Modern slavery is one of our six most salient human rights risks, as identified by our company-wide human rights impact assessment. HPE recognizes that modern slavery can take many forms, including forced labor, bonded labor, and human trafficking. HPE uses the International Labour Organization’s (ILO) definitions<sup>4</sup> of forced labor and human trafficking in its policies and programs and therefore will use the terms “forced labor,” “bonded labor,” or “human trafficking” in addition to “slavery” or “modern slavery” in this statement. HPE has committed to the United Nations Guiding Principles on Business and Human Rights (UNGPs). Other influential international initiatives, such as the OECD Guidelines for Multinational Enterprises, inform our approach.

Driven by our culture and what defines us as a company – how we act, how we treat others, and how we conduct business – we believe a future without modern slavery is possible and we are determined to do our part to get there. We re-examine and refine our program each year in light of our experience and emerging best practices.

### ***Business structure/supply chain overview***

Hewlett Packard Enterprise is a leading global provider of cutting-edge information technology solutions. HPE customers include small and medium-sized businesses (i.e., SMBs), large global enterprises, and governments and public sector entities. Our products and services are available worldwide. HPE is a corporation incorporated in Delaware with its global headquarters in Houston, Texas with approximately 59,400 employees. The company and its subsidiaries operate worldwide and are collectively known as HPE. A list of HPE’s principal subsidiaries can be found in [Exhibit 21](#) of HPE’s most recent SEC [Form 10-K annual report](#).

The SER Team is responsible for establishing and coordinating the policies, processes, and programs governing HPE’s approach to human rights and ethical conduct in the supply chain. The SER Team works closely with dedicated individuals in the product supply chain, indirect procurement, corporate affairs, and other internal organizations to implement and manage these policies, processes, and programs across HPE’s operations and supply chain.

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<sup>4</sup> International Labour Organization (ILO). (n.d.). What is forced labour, modern slavery, and human trafficking. Retrieved January 13, 2021, from [ilo.org/global/topics/forced-labour/definition/lang--en/index.html](http://ilo.org/global/topics/forced-labour/definition/lang--en/index.html). According to the ILO Forced Labour Convention, 1930 (No. 29), forced or compulsory labour is “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.” The forced labour definition encompasses “traditional practices of forced labour, such as vestiges of slavery or slave-like practices, and various forms of debt bondage, as well as new forms of forced labour that have emerged in recent decades, such as human trafficking.”

HPE sources its products and services from a worldwide network of suppliers. Since 2007,<sup>5</sup> we have disclosed a [list of our production suppliers](#). Since 2013, we also have disclosed a list of smelters, refiners, recyclers, and scrap processors for “Conflict Minerals,” which includes tin, tungsten, tantalum, and gold that our direct suppliers have reported to us as potentially being in their supply chains. For more information, see [HPE’s Conflict Minerals Report](#) and [HPE’s Living Progress Report](#) (including the Living Progress Data Summary, which sets forth key performance indicators).

Many of HPE’s suppliers are large companies themselves and have a global network of supplier facilities from which HPE products are manufactured and distributed. Depending on product needs and operations, the individual facilities supplying to HPE can change. On average, however, over one-third of HPE’s direct supplier facilities are located in China and one-third are located in East and Southeast Asia (not including China). Our volume of business with most of these suppliers, although business cycle dependent, is relatively consistent outside of unforeseen business disruptions related to factors, such as natural disasters and disease.

Through research, on-site due diligence, and engagement with supplier facilities and industry groups, HPE has identified the following salient risks in its supply chain: the risk of forced student labor in China, and the risk of forced labor specific to foreign migrant workers in Taiwan, Malaysia, and Singapore. As outlined in [HPE’s Supply Chain Responsibility: Our Approach](#), HPE takes a systematic approach to sensing, understanding, and addressing risk. We engage with a broad range of stakeholders to research and better understand issues of concern regarding social and environmental responsibility in our supply chain, including geographic risks, labor trends, and environmental risks. These stakeholders include workers (through interviews, surveys, capability building programs, and our ethics concerns reporting system), industry groups, suppliers, governments, socially responsible investors, non-governmental organizations (NGOs), and human rights groups, such as the Leadership Group on Responsible Recruitment (LGRR), the Responsible Business Alliance (RBA), the Business Roundtable on AI and Human Rights, the World Economic Forum, Business Against Slavery Forum, the Responsible Minerals Initiative, and the Responsible Labor Initiative. Stakeholder engagement is a critical step toward a coordinated and effective response to important social and environmental challenges.

As a company whose purpose is to advance the way people live and work, HPE remains committed to upholding human rights during the COVID-19 pandemic. We acknowledge the need to maintain effective channels of communication so any individual can raise issues or concerns without fear of retaliation, and our SER Team, supported by senior leadership, is continuing to review for elevated human rights risks. We have taken steps, in consultation with our suppliers, to review and understand risks to workers in our supply chain, to identify the most vulnerable worker populations, and to help suppliers protect workers and strengthen their resiliency to a crisis, including the current COVID-19 pandemic. For more information, see [HPE Supply Chain Responsibility: COVID-19 Response](#).

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<sup>5</sup> On November 1, 2015, Hewlett Packard Enterprise became an independent publicly traded company following the separation of Hewlett-Packard Company into two corporate entities. To avoid confusion, HPE, as used throughout this report, refers both to pre-separation HP, as well as HPE.

## ***Policies***

Hewlett Packard Enterprise believes that all people should be treated with dignity and respect. HPE's broad commitment to respect human rights is set out in our Global Human Rights Policy, which is rooted in our commitment to respecting human rights in accordance with the UNGPs. HPE's Standards of Business Conduct (SBC) and U.S. Public Sector Anti-Human Trafficking Policy contain prohibitions on forced labor, bonded labor, and human trafficking—as well as conduct that can contribute to forced labor and human trafficking. Our modern slavery strategy and roadmap guides our work on modern slavery, which we review annually and update as needed. We seek to engage all relevant stakeholders, including workers, in selecting our priorities in order to focus on issues that will have the greatest overall impact.

The HPE Supply Chain Foreign Migrant Worker Standard demonstrates our leadership on issues related to addressing modern slavery. This standard adopts an industry-leading “Employer Pays Principle” approach to the foreign migrant workforce in our supply chain. Under this standard, foreign migrant workers cannot be charged recruitment fees or costs and such workers' original foreign migrant worker identification documents, passports, travel papers, and other personal documents may not be retained or held by suppliers, recruitment agents, or any third-party. All suppliers and supplier facilities globally that are involved in manufacturing HPE's products, packaging, parts, components, subassemblies, and materials, or involved in processes related to that manufacturing, and all suppliers that provide services to or on behalf of HPE, are bound to adhere to the standard. The standard also establishes requirements for the use of employment contracts and recruitment, travel, and processing fee reimbursements.

In addition to the Supply Chain Foreign Migrant Worker Standard, HPE's external relationships (i.e., supplier and partner relationships) are governed by HPE's Supplier Code of Conduct, which fully aligns with, and in some cases, extends beyond the RBA Code of Conduct. HPE's other leading standards include our Student and Dispatch Worker Standard for Supplier Facilities in the People's Republic of China, Partner Code of Conduct, and Contingent Worker Code of Conduct.

## ***Program Approach***

Our Supply Chain Responsibility (SCR) program reflects years of research and engagement and incorporates our ongoing risk assessments. Those risk assessments have indicated, and continue to indicate, that the risks of forced labor, bonded labor, and human trafficking are highest in our supply chain, specifically at the sites where our products are manufactured. Our key risks at supplier sites include payment of recruitment fees charged by third party recruitment agents, and lack of strong supplier management systems that would detect and prevent such fees. Our Supplier Code of Conduct has long prohibited forced labor, bonded labor, and human trafficking. We require independent audits against our Supplier Code of Conduct, and we supplement those audits with assessments on specific risk areas, such as modern slavery. A non-conformance (i.e. negative audit finding) does not necessarily mean a violation has been found. It could mean that there are insufficient management systems in place to prevent violations from occurring. We require our key suppliers in high-risk locations or suppliers that have had certain negative audit findings (i.e. non-conformances) to provide additional monthly reporting on key performance indicators such as

working hours and number of vulnerable workers. We encourage suppliers to apply best practices and support them with training and guidance on specific issues, including combatting forced labor, bonded labor, and human trafficking. See *Supplier Verification: Auditing, Monitoring, and Remediation* section below for additional details.

We have taken targeted steps to enhance protection for particularly vulnerable groups that are at heightened risk of exploitation. Our differentiated approach focuses on addressing risks related to foreign migrant workers, and student and dispatch workers in China. In both instances, our approach has been to:

- Map and identify the key risks related to how workers are recruited and employed;
- Engage stakeholders to identify vulnerable groups;
- Develop specialized supplier standards, as referenced in the “Policies” section above—in addition to our Supplier Code of Conduct—to address key risk areas;
- Conduct supplier training and education on the standards and best practices for employing these workers;
- Develop specialized assessment tools—in addition to our standard social compliance audit—and carry out in-depth assessments for supplier sites employing these vulnerable workers (example: HPE’s Foreign Migrant Worker Audit);
- Collaborate with our suppliers, peers, competitors, and other stakeholders on best practices, raising industry standards, and disrupting the environment that allows for modern slavery to persist; and
- Engage HPE leadership in promoting our standards and approach to modern slavery, both internally (e.g., awareness building and sponsorship for employee volunteer opportunities to support modern slavery initiatives) and globally (e.g., HPE’s CEO, Antonio Neri, spoke on modern slavery at the World Economic Forum in January 2019).

Through progressive improvements over a period of years, we have built and maintained an approach that addresses not only our supply chain generally, but also these particularly vulnerable groups. We strive to refine our policies, actions and disclosure to reflect such improvements. Every year we review our approach to supply chain responsibility, which includes incorporating new metrics, where appropriate, to measure and internally report our SER program’s effectiveness. In 2020, we updated [HPE’s Supply Chain Responsibility: Our Approach](#) to reflect many of these improvements. For more information on our supplier requirements and engagements, see the *Supplier Verification: Auditing, Monitoring, and Remediation* section below.

## *Accountability*

### *Employees*

Uncompromising integrity is one of HPE's foundational values, and accountability is one of the leadership attributes expected of all employees. This fact was highlighted when HPE was named by the Ethisphere Institute as one of the "World's Most Ethical Companies" for three years in a row (2019, 2020, and 2021) for exemplifying and advancing corporate citizenship, transparency and the standards of integrity.

Hewlett Packard Enterprise requires all of its employees to comply with our SBC, which includes provisions prohibiting the use of child, prison, or forced labor in HPE operations. HPE trains employees on the SBC annually and takes seriously alleged violations of company policy. We respond to allegations promptly and conduct investigations when appropriate. Violations of the SBC or other HPE policies may result in disciplinary action, up to and including termination.

Hewlett Packard Enterprise provides employees with multiple channels for reporting concerns about a potential violation of law or company policy. HPE also provides mechanisms for external parties to raise potential concerns, including those related to forced labor, bonded labor, and human trafficking. HPE's third-party-managed hotline offers uninterrupted access, anonymity, and translation services to make it easy for any person, including suppliers' workers and those workers further down the supply chain, to raise a concern or complaint. We promote the hotline on our public-facing website, during interviews with workers, and in some instances, through informational posters placed in our facilities and offices where employees and workers can frequently view the information. The process and handling of concerns, referencing who handles complaints, and relevant timelines with respect to the hotline, are easily accessible and publicly available online. For more information on HPE employee trainings, see *Training and Capability Building* below.

### *Suppliers*

Hewlett Packard Enterprise's supplier agreements require suppliers to comply with all applicable laws and regulations and include requirements relating to HPE's Supplier Code of Conduct.

Through our Supplier Code of Conduct, HPE requires suppliers at a minimum to communicate the requirements of HPE's Supplier Code of Conduct to next-tier suppliers and to monitor those next-tier suppliers' conformance with the Supplier Code of Conduct's requirements. Conformance is evaluated through our comprehensive third-party audits (see *Supplier Verification: Auditing, Monitoring, and Remediation* below for more information on our audit program).

HPE's supply chain social and environmental responsibility requirements, including those related to forced labor, bonded labor, and human trafficking, are integrated into HPE's supplier performance management process. HPE communicates its requirements to its suppliers, scores their performance, and communicates with suppliers about their conformance through regular supplier business reviews and day-to-day engagement. We rank levels of non-conformance to

the HPE Supplier Code of Conduct as per the RBA grading system of minor, major, and priority, and apply an additional HPE-defined grade of critical (as outlined in [HPE's Supply Chain Responsibility: Our Approach](#)). HPE requires suppliers to produce a corrective action plan for any issue of non-conformance, and an HPE supplier performance manager tracks each major, priority, or critical issue to closure.

We incorporate supplier performance in each supplier's SER Scorecard. Our SER Scorecard, described in more detail in [HPE Supply Chain Responsibility: Our Approach](#), ties ongoing procurement decisions to supplier SER performance and participation in capability building. Suppliers with strong SER performance improve their opportunities for new or expanded business. Suppliers with poor SER performance risk a reduction in business. The SER Scorecard includes a management system component, which enables suppliers to demonstrate integration of SER issues within their own management systems, and to demonstrate a proactive approach on key risks.

We value and nurture our relationships with key suppliers, but also place a high priority on the wellbeing of workers. When a supplier fails to adhere to HPE standards and policies, as an initial matter, we seek to work with the supplier to remediate and improve practices in an effort to ensure adherence to all HPE standards and policies. HPE adheres to the [UNGP approach](#), whereby companies should "use their leverage to incentivize the partner to prevent, mitigate, or remediate the [human rights] impacts." In addition, we generally follow the UNGP approach that "the prospect of disengagement can serve as a means to create or increase leverage, but companies considering disengagement need to take into account factors such as the severity of the adverse impact." Accordingly, as a first step, we work with our suppliers and partners to improve labor conditions. But persistent violations may result in disciplinary action, up to and including termination.

HPE has expanded its engagement with indirect suppliers by formally rolling out the SER program's work to indirect suppliers. For indirect suppliers, we focus on prevention (through selection of suppliers based on alignment with HPE's commitments to and performance on preventing forced labor), collaboration (a shared journey of continuous improvement), and innovation (to work effectively and focus on program priorities such as worker voice and forced labor).

### ***Due Diligence Processes to Assess and Manage Risk***

#### ***Risk Mapping in the Supply Chain***

We work to identify emerging risks in our supply chain at global, regional, and local levels. We analyze information from our supplier monitoring program, worker engagement, extensive stakeholder network, and other external sources to look for, and address risks proactively:

- Stakeholder engagement: Hewlett Packard Enterprise engages with a broad range of stakeholders, including workers at HPE supplier facilities (through worker interviews and capability building programs), industry bodies, governments, and NGOs. This engagement allows us to research and better understand practices that can lead to

modern slavery in the supply chain. For example, HPE is a member of several leading industry groups in the fight against modern slavery, including the RBA, the Responsible Labor Initiative (RLI), the Global Business Initiative (GBI), the UN Global Compact, and the LGRR. These relationships collectively help HPE to leverage shared resources, collaborate on new tools, share best practices, engage with external stakeholders, and advocate for higher cross-industry standards.

- **Supplier risk evaluation:** HPE evaluates suppliers to analyze the potential for practices that can lead to forms of modern slavery. These evaluations include information from supplier self-assessment questionnaires (SAQs), on-site social compliance audits, monthly key performance indicator reports, and in-person specialized assessments (including information from worker interviews). We take particular care to analyze the following indicators: employment of vulnerable worker groups, the use of third-party agents in the recruitment or management of workers, and supplier operations in geographic areas with potential for elevated risks of forced labor, bonded labor, and human trafficking.
- **External data:** We use information from a wide range of external sources to inform the design of our SCR program. These sources include research, reports, and indices from governments, NGOs, human rights experts, and reputable research institutions. We also monitor external sources for new resources as they become available.

We use the information we obtain through our risk-sensing processes to inform our requirements, supplier monitoring (annual audit prioritization process), and other program activities, such as trainings, partnerships, and capability building programs.

We primarily focus our program engagement on those suppliers with which Hewlett Packard Enterprise has a direct contractual relationship, including final assembly suppliers, as well as strategic commodity suppliers. We typically work with these suppliers over a number of years, and therefore they have the opportunity to build an understanding of our standards and expectations. In some instances, where we identify specific risks or an opportunity to have a significant impact, we may engage suppliers deeper in our supply chain, with the support of our direct suppliers, though this approach may have limitations based on our relationships with individual suppliers. As noted above, we require our direct suppliers to communicate the requirements of HPE's Supplier Code of Conduct to the next tier of suppliers and to monitor those suppliers' conformance with these requirements.

#### *Supplier Verification: Auditing, Monitoring, and Remediation*

We conduct verification of supplier conformance through multiple means. We use supplier SAQs, comprehensive audits, specialized assessments, and our key performance indicator program. We also promptly investigate any third-party allegations related to forced labor, bonded labor, and human trafficking.

Comprehensive, independent third-party audits evaluate supplier performance against our Supplier Code of Conduct, including the provisions on freely chosen employment. The majority



of these audits are conducted through the RBA Validated Assessment Process (VAP). We supplement these audits with specialized assessments that target key risk areas, such as recruitment and employment practices for foreign migrant workers. These assessments are carried out by independent third-party auditors with specific expertise related to the issue area. Within each of those audits and assessments, we identify potentially high-risk practices, as well as weak controls, or systems to manage risks of forced labor, bonded labor, and human trafficking. In FY20, 71 site audits and assessments were conducted at supplier facilities. (For more information on our audit program, please see HPE Living Progress.)

As a matter of general practice, we announce audits in advance and conduct them in the presence of facility management, as doing so contributes to building and maintaining strong relationships and fostering supplier ownership of SER performance. However, we will conduct an unannounced audit or offsite worker interviews if circumstances call for it.

A finding of non-conformance with HPE requirements does not necessarily indicate that forced labor, bonded labor, or human trafficking is present, but may indicate inadequate operating standards or procedures to prevent such an occurrence. In any event, in a case of non-conformance, a supplier is required to produce a corrective action plan to outline how it intends to resolve the issue. HPE then reviews the plan and approves or requires further refinement. A supplier must cease any practice that contributes to a critical labor issue and must promptly report its corrective actions to HPE for review and feedback. Hewlett Packard Enterprise or a third-party auditor will then re-examine the finding through a site visit to confirm resolution. For example, if a worker is found to have been charged recruitment or placement fees during their recruitment process, the supplier at issue will be required to repay any such fees charged to the worker.

In addition to audits and assessments, we developed, implemented, and donated to RBA members our tool for developing robust, inclusive, and timely reimbursement plans with the supplier and monitoring progress of reimbursement to the workers. This tool allows HPE to closely track and review evidence of suppliers' improvement between audits on matters of concern. Audit and assessment data, as well as data on responsiveness to corrective action plans, are incorporated into the SER Scorecard (as explained above).

### ***Training and Capability Building***

#### *Internal*

All HPE employees must complete annual training on the HPE SBC. The SBC specifically prohibits child labor, prison or forced labor, and physical punishment throughout our operations, or those of our business partners or suppliers. The SBC requires, and associated annual training emphasizes, the importance of employees treating others with integrity, respect, and fairness.

HPE provides training courses on key SCR issues and on effective management of suppliers' SCR performance. This training is broadly available, but aimed at staff who engage with any aspect of HPE's SCR program (e.g., procurement, quality control).

We offer more targeted training for HPE employees on Human Trafficking Awareness through

our virtual university, Accelerating U. The purpose of the internal Human Trafficking Awareness training is several fold, including to: 1) emphasize why the employee should care about human trafficking in their role at HPE; 2) provide a definition of “human trafficking;” 3) dispel common myths about human trafficking; 4) highlight key HPE policies that prohibit human trafficking; 5) provide a list of red flags to look for in interactions with colleagues and business partners’ employees; and 6) explain how an employee can act on concerns that they or someone else may be in a situation of human trafficking.

We carry out modern slavery awareness trainings open to all employees, in collaboration with organizations that we partner with on HPE’s HoPE initiative. HPE’s HoPE initiative encourages HPE employees to volunteer with organizations that work to combat modern slavery and support survivors of human trafficking.<sup>6</sup>

In addition, we train HPE buyers (e.g. managers in strategic sourcing) on modern slavery risks, our approach to modern slavery and supply chain responsibility, and how such buyers' purchasing practices can exacerbate or reduce risk of forced labor in our supply chain.

### *External*

In 2011, Hewlett-Packard Company initiated a supplier training program on forced labor risks. Since then, we have held numerous focused trainings designed to help suppliers understand HPE’s expectations, as well as expanding standards and requirements from the RBA, governments, and other leading institutions. The trainings are designed to provide suppliers with the tools, skills, and best practices needed to better implement the requirements outlined in HPE’s Supplier Code of Conduct, Supply Chain Foreign Migrant Worker Standard, and Student and Dispatch Worker Standard for Supplier Facilities in the People’s Republic of China. All suppliers that participate in capability building activities receive additional points in their Supplier Scorecard. (See *Accountability* section above for additional information on our scorecard program.)

Examples of our training and capability building activities include:

- **Collaboration:** For the past several years, we have partnered with other leading IT companies, including several of our competitors and suppliers, to conduct these training sessions. By taking this collaborative approach, we reinforce our industry’s commitment on this issue and deepen the reach of the program beyond our first-tier suppliers. We believe this better protects the rights and wellbeing of workers in our collective supply chains, reduces risks for our companies and for our suppliers, and will lead to better business outcomes. For example, in 2020, we co-sponsored a round of supplier sustainability trainings in partnership with Intel Corporation, Western Digital Corporation, HP Inc., and Seagate Technology PLC. RBA, our key partner in standard-setting, auditing and industry collaboration, facilitated the training sessions. To allow us to deliver these important sessions in light of COVID-19 restrictions, the trainings were held online and accommodated two different time zones (Asia Pacific

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<sup>6</sup> Volunteering through the HoPE initiative is feasible for many employees because HPE offers all employees 60 hours of paid volunteer time off per year and matches up to \$5000 per employee, which may be allocated to match monetary donations or donations of volunteer time.

and European/North America), and were made available to all RBA members. The trainings focused on mitigating risks of forced labor, especially in light of heightened risk during the pandemic, ensuring compliance with our Supplier Code of Conduct, and supporting worker well-being during the pandemic. 83 suppliers attended the trainings, which included the following:

- HPE’s expectations to understand the RBA code and local and foreign legal requirements, including current and emerging regulations;
  - Identifying indicators of forced labor risk, and developing the tools, knowledge, and resources to mitigate these risks;
  - Providing practical guidance on how to develop comprehensive policies and practices to reduce the risks of forced labor;
  - Guiding suppliers through best practice in working with labor agents, and how to prevent and monitor for recruiting fees and other forms of forced labor;
  - Common challenges of grievance mechanisms; and
  - The importance of, and ways to build effective grievance mechanisms and support worker voice.
- Addressing risks due to COVID-19: HPE developed Supplier Guidance on Social Responsibility and COVID-19, which recognizes migrant vulnerability to modern slavery during a pandemic, and lays out best practices in three areas for electronics manufacturers in order to maintain labor standards and promote worker well-being: enhanced health and safety, enhanced benefits, and enhanced communication with workers.
  - Leveraging Existing Training Resources: HPE also encourages suppliers and other relevant personnel to take courses through the RBA’s eLearning Academy, OECD capacity building, and RLI online training, and directs suppliers to the appropriate tools and resources as needed. Available courses through the RBA eLearning Academy include topics such as understanding the requirements of the UK Modern Slavery Act and California Transparency in Supply Chains Act; recognizing and preventing forced labor; working with labor brokers; and understanding continuous improvement and utilization of key performance indicators. Since 2017, HPE has promoted training courses provided by RLI to suppliers and recruitment agents for additional training and guidance on industry standards.
  - HPE Trainings during FY20:
    - HPE engaged closely with suppliers in our reimbursement program, speaking with them regularly to strengthen their understanding of recruitment fees, improve upon reimbursement plans, and promote worker voice throughout the process. We also regularly reviewed reports for evidence of progress.
    - HPE held numerous in-depth discussions with suppliers representing approximately 65-70% of our overall spend to understand how they are

managing the risks of COVID-19, and, in particular how COVID-19 may increase modern slavery and other labor risks. We communicated to the suppliers best practices for protecting workers, especially those most vulnerable to poor conditions, such as migrant workers.

- HPE sought to increase engagement and transparency with our key suppliers by initiating annual social responsibility meetings. In 2020, these meetings focused on key opportunities, challenges, and needs of suppliers, while discussing two of HPE’s SER program priorities: forced labor and worker voice. We view suppliers as a key stakeholder, and value their feedback and input. Sharing best practices among suppliers allows us to scale recommendations and determine areas of focus for capacity building in our next year. Suppliers primarily asked for additional guidance and support on managing forced labor risks, and maintaining health and safety standards and worker well-being during the pandemic.
- Through Elevate, a leading supply chain consultant, HPE and HP Inc. provided two virtual supplier trainings in China on managing forced and bonded labor risks, and ensuring worker voice. HPE invited all suppliers across China. Approximately 150 HPE supplier participants attended.

At HPE, we do not believe that training alone is sufficient. To achieve change, we believe that HPE (along with others) should contribute to research on new initiatives, engage with governments and law enforcement, educate workers and amplify their voices, and share best practices with other companies and stakeholders.

For example, in FY20:

- HPE continued to actively engage in the RLI and subgroups working on specific standards, guidance, and tools to prevent and address modern slavery risks.
- HPE worked with peers and suppliers to understand emerging forced labor risks, and best practices in assessing and preventing forced labor.
- HPE worked with peers and suppliers to develop industry guidance on supporting worker well-being during a pandemic.
- HPE developed and donated to the RBA our tool for engaging suppliers in quick action on remediating recruitment fee findings. We use the tool to assess, track and monitor fee reimbursement plans.
- HPE continued to engage and demonstrate our leadership in the Employer Pays Principle through continued active engagement with the LGRR.

### ***Program Effectiveness***

We have taken significant action in the past few years to improve our efforts to mitigate the risks of forced labor, bonded labor, and human trafficking, particularly in our supply chain. This has

included updating our supply chain standards, developing more specialized tools for monitoring supplier performance (including with respect to supplier conformance with the HPE Supply Chain Foreign Migrant Worker Standard), developing supplier guidance materials, conducting specific supplier trainings (as well as the promotion of non-HPE trainings and guidance materials), and building awareness within HPE and publicly.

We recognize that, similar to our experience in past years, as we continue to raise our requirements and implement deeper due diligence and monitoring efforts, we might uncover previously unidentified high-risk behaviors. In past years, we planned to—and did—partner with our suppliers on corrective actions and capability building trainings that promoted appropriate management systems to guard against their reoccurrence. We will continue to adhere to this strategy going forward.

Since its inception as an independent company in November 2015, HPE has monitored for risks related to the recruitment and employment of foreign migrant workers at supplier sites. We also carry out research and engage key stakeholders to understand the challenges facing the most vulnerable groups in our supply chain in order to develop potential solutions to address these issues. We prioritize foreign migrant worker assessments at sites that we evaluated to be highest risk based on location, number of foreign migrant workers, and preliminary information provided through supplier SAQs. COVID-19 restrictions limited our ability to conduct onsite, in-person specialized foreign migrant worker assessments. Despite these restrictions, HPE conducted a foreign migrant worker assessment in a safe, outdoor space at a supplier in Taiwan. Also, in lieu of in-person assessments we commissioned four supplier assessments through Verite’s Cumulus tool, which works remotely with suppliers to assess policies, practices, and agreements between suppliers and their recruitment agents.

We identified one critical finding related to risks of forced labor in our supply chain in FY20, which was a case of workers paying recruitment fees to recruitment agencies in their home countries. HPE worked intensively with the supplier, as we do in each instance of a critical finding, to ensure all workers were fully reimbursed within three months of the critical finding, and the supplier improved its policies, agreements, and systems for identifying and preventing such recruitment fees. HPE also worked with the supplier to improve worker awareness of the policy against recruitment fees and worker trust in the effectiveness of available grievance channels.

In instances where a finding is rated critical or priority (see *Accountability above* for a discussion on ratings), HPE requires a thorough on-site assessment with third-party auditors to validate that all required corrective actions have been completed as discussed. Additionally, any supplier with a critical finding receives a significant penalty in their SER Scorecard, which can impact the supplier’s future business awards with HPE. HPE supplier performance managers operating within our purchasing teams communicate to suppliers the importance of adherence to HPE SER standards and policies as reflected in our scorecards, and work closely to monitor progress of identified corrective actions.

We take each finding seriously and believe that uncovering these issues shows that our approach is

working. But based on our understanding of the root causes and enabling factors of these risks, we believe that collaborative action by the private sector, governments, enforcement officials, and civil society is essential to long-term and systemic success. We have worked and will continue to promote this collaborative approach even as we individually mitigate the frequency of these occurrences and strive to accurately identify and address these issues when they do occur. We will continue to evaluate how to improve our program through training and supplier engagement to make sure that suppliers fully understand our requirements and are proactively working to ensure conformance with HPE requirements.

As noted in the section above, this year we targeted several capability-building efforts to meet the particular needs and issues we had identified.

Based on the improvements we saw because of these efforts, we continue to believe that education and guidance remain extremely important elements of any program to mitigate the risks of modern slavery. We also believe in establishing a dialogue with suppliers to identify root causes, amplify worker voice, and secure commitments to maintaining such a program.

### ***Public Advocacy and Collective Action***

Hewlett Packard Enterprise views engagement with stakeholders and public advocacy as integral aspects of our overall strategy to address the risks of modern slavery, particularly in the supply chain.

We often share our experiences and the challenges associated with combatting forced labor in our supply chain at conferences and other public forums. The goal of our participation in those events is to raise awareness of the issue, to help other companies build an internal business case for action on modern slavery, and to advance wider stakeholder dialogue about how we can collaborate on meaningful actions to ensure freely chosen employment for all workers and legal protections for those that are most vulnerable. For example, in FY20:

- HPE worked with the ILO and RBA to prepare a presentation and content for an ILO consultation with the Vietnamese government to raise awareness of the heightened risk of forced labor for migrant workers, and the need for increased protection through regulation.
- HPE established employee volunteering opportunities with over a dozen modern slavery NGOs around the world, in key locations where HPE employees are based. This program aims to offer our professional skills and time to help mitigate the impact of modern slavery.
- We actively contributed to the RLI-GRI Modern Slavery Reporting Toolkit and related guidance and definitions.

We also frequently meet directly with experts in government, NGOs, and other organizations that are focused on combatting forced labor, bonded labor, and human trafficking. We recognize this is a very complex issue and are always seeking to learn more about hidden areas of risk, the ways in

which workers are recruited and employed within specific local contexts, and new initiatives focused on tackling these issues across industries. For example, in FY20 we continued to serve as an active member of the UK Home Office Business Against Slavery Forum, which is designed to build partnerships between government and business to address modern slavery in supply chains.

We continue our active participation in several organizations dedicated to advancing meaningful reform around issues related to modern slavery. For example, we are a founding member of the LGRR formed by the Institute for Human Rights in Business. The LGRR advocates for broad, cross-sectoral adoption of the “Employer Pays Principle.” We believe it is important to continue highlighting the risks associated with worker-paid recruitment fees, and that we, in partnership with the LGRR and other leading companies, can further promote awareness and help other companies identify the necessary tools to adopt the Employer Pays Principle in their own supply chains.

HPE is also an active member of RLI. Convened by the RBA, RLI has become a multi-industry, multi-stakeholder initiative focused on the rights of workers vulnerable to forced labor, bonded labor, and human trafficking in global supply chains.

HPE has contributed its expertise, tools, and resources to other companies as well. For example, we regularly share our standards and tools with the RBA and its broader membership, including (jointly with HP Inc.) the Hewlett-Packard Company Foreign Migrant Worker Supplier Transition Guidance Document in 2016, the Hewlett Packard Enterprise Migration Corridor Database in 2017, the fee reimbursement tool in 2020, and collaborative Supplier Guidance on Social Responsibility and COVID-19 in 2020.

We hope that by continuing to expand the universe of available tools, companies will be better able to address risks of forced labor, bonded labor, and human trafficking.

This statement was approved by the Board of Hewlett Packard Enterprise Company on April 27, 2021.



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Apr 27, 2021 12:03 PM EDT

Gary Reiner / Date  
Director and Chair of the Nominating, Governance, and Social Responsibility Committee of  
Hewlett Packard Enterprise Company