VMware Australia's Modern Slavery Statement 2020

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Introduction

This is the first modern slavery statement (**Statement**) for VMware Australia Pty Ltd (**VMware Australia**) and is made in accordance with the Australian Modern Slavery Act 2018. This Statement constitutes VMware Australia's modern slavery and human trafficking statement for its financial year ending 1st February 2020.

VMware Australia is committed to acting ethically and responsibly and to use its position as a market-maker in virtualisation and cloud computing technology to improve conditions within its communities. Not only do we firmly support and comply with the anti-slavery and human trafficking laws in the countries in which we do business, but we work actively within our business circles to prohibit slavery and human trafficking.

Our Structure, Operations and Supply Chain

About us

VMware Australia is proprietary limited company incorporated and domiciled in Australia under the Corporations Act 2001 (Cth), is a wholly owned subsidiary of VMware Unlimited International Company, located in Ireland (**VMware**) and is a part of the VMware group of companies sitting under our ultimate parent entity, VMware Inc., an American publicly traded company listed on the New York Stock Exchange (NYSE).

Since the inception of our Australian operations in 2006, VMware Australia's 528 employees and ecosystem of partners has become a leader in technology innovations transforming many industries—from banking, healthcare, and government to retail, telecommunications, manufacturing, and transportation. Our software and services spans compute, cloud, networking and security, and digital workspace. These include:

VMware Cloud Foundation™   VMware Horizon®   VMware vSAN™   VMware Tanzu™

VMware Cloud™ on AWS   VMware vSphere®   VMware SD-WAN by Velocloud®

Every day, we work to solve our customers' toughest challenges through disruptive technologies like edge computing, artificial intelligence, blockchain, machine learning, Kubernetes and more–to define the digital foundation that will accelerate the next wave of innovation.

Where we operate

VMware Australia's primary focus is to serve its partners and customers in Australia and has offices in Sydney, Melbourne, Brisbane, Perth, Canberra and Adelaide.

Where we source

The majority of goods and services VMware Australia procures come from suppliers and contractors based in Australia.

VMware Australia's main categories of procurement include:

·   property and operations;

·   human resources;

·   professional services;

·   information technology; and

·   global mobility and travel.

VMware Australia is a reseller of VMware's software and services within Australia. Whilst VMware does not manufacture in the traditional sense with the use of factories or labour houses, VMware Australia and VMware evaluate its supply chain to identify any partners and suppliers that pose risks for illegal or unethical behaviour such as engaging in human trafficking, slavery or other human rights violations.

VMware Australia's overseas supply chain includes 20 offshore vendors, the majority of which are in the US. These vendors provide outsourced IT related services to VMware Australia.

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Governance Programs, Policies and Codes

In order to support compliance and address modern slavery risks throughout its business, VMware Australia has in place following initiatives within its ecosystem.

INITIATIVE/PROGRAM	ACTIONS
Supplier Code of Conduct	The Supplier Code sets out VMware Australia's expectations for its suppliers, vendors, contractors, consultants and all other providers of goods and services to VMware Australia (**Suppliers**) to conduct business responsibly, with integrity, honesty and transparency and to comply fully with key principles, including respect for human rights and ensuring that Suppliers observe and comply with local and international principles and laws relating to human rights.
Partner Integrity Initiative	▪ VMware partners are required to take compliance training and submit themselves to due diligence and background checks. In addition, its Partners must agree to the principles embodied within its Partner Code of Conduct (**Partner Code**). ▪ The Partner Code expressly restricts unethical labour practices including the use of forced or involuntary labour of any kind.

Supplier Integrity Initiative	VMware Global Sourcing and Procurement teams have in place a Supplier Integrity Initiative to assess at risk suppliers.
	▪ The program incorporates supplier screening and risk assessments to understand the qualifications and associations of VMware third-parties, including:
	  o business reputation, and Relationship, if any, with foreign officials;
	  o engagement Details including nature of goods and / or services being provided;
	  o provision of policies, procedures prohibiting bribery, forced labor etc.; and
	  o determination of red flags and appropriate remediation.

People Integrity Initiative	▪ VMware Australia's personnel are trained at regular intervals on the principals embodied within its Business Conduct Guidelines and other relevant internal policies. Importantly, VMware Australia's employees are held accountable for their actions and are subject to disciplinary action for failing to adhere to company standards. ▪ VMware Australia also maintains company-wide accountability and grievance mechanisms (such as VMware's Ethics Helpline), which are available to both employees and external Suppliers to raise any concerns regarding unethical or illegal conduct, including where they relate to modern slavery and human trafficking.

Assessing and Addressing Potential Modern Slavery Risks

VMware Australia recognises that guarding human rights is an ongoing process and responsibility. VMware's Global Procurement and Sourcing teams have conducted an initial assessment of labor related risks in its supply chain in Australia and have identified the below potential modern slavery risk areas:

Potential Risk	Source
Non-compliance with labour standards: potential exploitation of migrant and other labourers (for example, working hours, wages, forced labour)	Real Estate and Workplace Service providers: • Cleaning contractors/subcontractors • Physical security • Premise construction works and trades

VMware's risk assessment identified 2 vendors in the potential at risk category described above for VMware's real estate and workplace vendors and VMware has engaged with the relevant vendors to obtain documentation regarding their processes and commitments to comply with modern slavery laws and regulations and address any modern slavery risks.

Additionally, the below due diligence areas demonstrate how VMware intends to continue to monitor, assess and address modern slavery risks in its sourcing and supply chains.

Due Diligence
Supplier Onboarding

As part of our supplier onboarding process, Suppliers are asked to:

- complete a questionnaire and provide required documentation via VMware's Supplier Information Management Portal.

- acknowledge VMware's Supplier Code of Conduct and the requirements on the use and disclosure of any personal information in delivery of services; and

- disclose any known conflict of interest.

VMware's Supplier Integrity Initiative additionally requires suppliers to complete a due diligence questionnaire and certify key information regarding their enterprise/business, its compliance practices, and policies. Suppliers are required to provide an updated due diligence questionnaire periodically.

Supplier Contracting

- VMware includes specific language in its third party contracts to ensure suppliers comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards including those relating to, wages, hours and conditions of employment, Subcontractor selection, discrimination, and occupational health/safety.

- Contractual terms with suppliers also require, amongst other things, that the suppliers and their subcontractors, vendors, agents or other associated third parties do not utilise child, slave, prisoner or any other form of forced, bonded or involuntary labour, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services.

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Measuring Effectiveness

Measuring effectiveness of how modern slavery risks are addressed is a complex ongoing journey and is continually being worked on at VMware. To continue to assess modern slavery risks and to help with VMware coming up with mechanisms to measure effectiveness, VMware has embedded controls into to the Supplier Integrity Program to ensure suppliers in at risk categories have, at a minimum:

o   provided VMware all relevant modern slavery statements /commitments / documented processes; and
o   acknowledged the VMware Supplier Code of Conduct.

VMware additionally performs adverse media searches for vendors in at-risk categories to identify possible red flags in relation to labour laws and infringements. Where a potential risk is identified, VMware's global procurement and sourcing teams will engage the suppliers to provide a corrective action plan that outlines the cause of the issue as well as the remediation steps to address the identified risk. VMware will then assess whether the plan is satisfactory based on the severity of the issue and continue to monitor and ensure that the supplier completes and maintains the corrective actions and behaviours.

VMware management believe that the policies and procedures in place appropriately address modern slavery risks for VMware Australia.

This statement was approved by the directors of VMware Australia.

Andrew Munk   Michael Hunter

Australian Modern Slavery Statement

Final Audit Report   2020-10-23

Created:	2020-10-23
By:	Alicia Cardenas (acardenas@vmware.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAATlDz8uXOsSuEZiSPrTVuCX6ZuUwxXIOl

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2020-10-23 - 5:37:19 PM GMT- IP address: 73.63.209.71

✉ Document emailed to James Andrew Munk (amunk@vmware.com) for signature
2020-10-23 - 5:38:08 PM GMT

✉ Document emailed to Michael Hunter (mhunter@vmware.com) for signature
2020-10-23 - 5:38:09 PM GMT

📄 Email viewed by James Andrew Munk (amunk@vmware.com)
2020-10-23 - 5:38:32 PM GMT- IP address: 66.214.192.56

✍ Document e-signed by James Andrew Munk (amunk@vmware.com)
Signature Date: 2020-10-23 - 5:38:50 PM GMT - Time Source: server- IP address: 66.214.192.56

📄 Email viewed by Michael Hunter (mhunter@vmware.com)
2020-10-23 - 6:38:37 PM GMT- IP address: 121.218.230.171

✍ Document e-signed by Michael Hunter (mhunter@vmware.com)
Signature Date: 2020-10-23 - 7:03:34 PM GMT - Time Source: server- IP address: 121.218.230.171

✅ Agreement completed.
2020-10-23 - 7:03:34 PM GMT