



## **2021 Modern Slavery Transparency Statement**

**April 2022 reporting for fiscal year ending October 31, 2021**

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, making HPE the only two-time winner of the award. HPE also earned the highest ranking among 49 of the largest global information communications and technology (ICT) companies, on KnowTheChain’s 2020 Benchmark (published every two years). 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 governance issues and are committed to operating HPE in a responsible manner. The NGSR Committee guides HPE’s global citizenship activities, providing strategic direction on policies

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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, RG415TP, 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.

and programs related to human rights. The NGSR Committee’s strategic review also considers how risks and responses align within the company’s business model and overall purpose to advance the way people live and work. The Board of Directors approves this annual company-wide modern slavery statement.

Our approach and activities to address modern slavery are driven by the Global Social and Environmental Responsibility (SER) Team in the Ethics and Compliance Office, which resides within the Office of Legal and Administrative Affairs. This team of five, led by our Vice President of Anti-Corruption & SER, and accountable to our Chief Ethics and Compliance Officer, works in partnership with social and environmental colleagues on HPE’s Corporate Affairs team to enforce our policies and commitments relating to the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the principles set forth in the International Labour Organization (ILO) eight core conventions. The SER team provides support, guidance and resources with our partners in global sourcing teams. We partner with local country counsel, 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 ILO’s 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 respect human rights in accordance with the UNGPs and the principles set forth in the ILO eight core conventions (covering Fundamental Principles and Rights at Work, including the Forced Labor Convention No. 29 and the Abolition of Forced Labour Convention No 105). Other influential international initiatives, such as the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, International Covenant on Social and Cultural Rights, and International Covenant on Civil and Political Rights 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

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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](https://www.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.”

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.

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, South, 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 labor with students and dispatch labor in China, foreign students in Japan, and migrant workers in certain high-risk countries in Asia. Forced labor risks can increase when facilities are dependent on recruitment agents or temporary workers – as such we review supplier practices for managing agents and contractors, and require suppliers to limit dependence on them. We noted that risks are not associated with types of products, but are often associated with sub-tier operations – e.g., higher risk further down our supply chain. This year, we reviewed risk and strengthened our approach for identifying potentially higher-risk suppliers in our indirect supply chain. Factors that may indicate higher risk in our indirect supply chain include low skilled labor, dependency on temporary or foreign workers, and specific types of services such as facility management, security and construction.

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

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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.

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 (WEF), Business Against Slavery Forum, the Responsible Minerals Initiative (RMI), and the Responsible Labor Initiative (RLI). 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](#).

## ***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 [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 and domestic migrant workforce in our supply chain. Under this standard, migrant workers cannot be charged recruitment fees or costs and such workers' original migrant worker identification documents, passports, travel papers, and other personal assets and documents may not be retained or held by suppliers, recruitment agents, or any third-party. We require suppliers to directly employ foreign workers. 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 [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 7.0 (effective January 1, 2021). 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 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 migrant workers worldwide, especially in high-risk Asian countries, 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 (e.g., HPE's migrant worker assessment);
- 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 COO, John Schultz, spoke on our recent progress on modern slavery at the Thomson Reuters Foundation in February 2021).

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 2021, we updated our supplier standards, including:

- Updated HPE’s Supplier Code of Conduct across all areas to align with and, in some cases, extend beyond the RBA Code of Conduct 7.0 (RBA Code). We also include commitments to the principles set forth in the ILO Core Conventions, a more clearly stated requirement on remedy (e.g., child labor remediation and reimbursement of fees), elevated worker voice/grievance mechanism requirements, and additional advancements in other areas of SER.
- Significantly updated and broadened our Migrant Worker Standard for the first time in several years. We expanded the focus to recognize risk to internal or domestic migrants, took the opportunity to strengthen the standard, and incorporate stakeholder feedback.
- Researched and developed a draft Commitment to Respect the Rights of Marginalized Groups (covering migrants, women, children and youth, racial and ethnic minorities, and human rights defenders), and began engaging external stakeholders to better refine our commitment and overall approach to applying a vulnerable groups lens.

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 four years in a row (2019, 2020, 2021, and 2022) 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 alleged violations of company policy seriously. 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 sourcing teams communicate our SER requirements to their suppliers, score their performance, and communicate with suppliers about their conformance through regular supplier business reviews and day-to-day engagement. Our SER team partners day-to-day with our buying teams across the company on SER topics, concerns, and messaging; and regularly train our buying teams on our commitments, supplier requirements, responsible purchasing practices, and workers' feedback and risks related to topics such as forced labor and working hours. 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. Therefore, we place a high priority in communicating and working with suppliers to ensure 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, and continuously expanding and evolving our work in that space. For these suppliers that provide services and goods to support our own operations, we focus on prevention (through selection of suppliers based on alignment with HPE’s commitments to and performance on preventing forced labor), collaboration (monitoring along with a shared journey of continuous improvement), and innovation (to work effectively and focus on program priorities such as worker voice and forced labor). Going forward, we have formalized regular audit requirements and risk assessments for indirect suppliers.

### ***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 RLI, the UN Global Compact, and the LGRR. We also engaged directly and consulted on specific topics such as key needs and how to improve our approach to forced labor with NGOs, including, but not limited to Verite, Migrant Forum in Asia, International Organization for Migration, Our Journey, Institute for Human Rights and Business, Freedom Fund, Coalition to Abolish Slavery and Human Trafficking, Save the Children, UNICEF and the OECD. 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 and other labor and environmental non-conformances. These evaluations include information from supplier self-assessment questionnaires (SAQs), on-site social compliance audits, monthly key performance indicator reports, Verite's CUMULUS tool (reviewing supplier agreements and management systems in relation to how they work with recruitment agencies), engagement with and review of findings and recommendations from NGOs such as Migrant Forum Asia, 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. All suppliers who fall within 98% spend are included in our supply chain responsibility risk calculator (including tier 2 suppliers). Our supplier risk calculator considers supplier, facility, product, and country risk, and leverages external expert data including global data from multilateral organizations and the US State Department on child labor, wages, contracts, forced labor, worker rights, chemicals, and climate index.

- 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.
- Supply chain mapping: We regularly map our supply chain to ensure visibility of our major tier 1 and tier 2 suppliers, and assess risks. In 2021, we carried out additional mapping, further down our supply chain to identify sub-tier suppliers and recruitment agents in high-risk locations.

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 migrant workers. Our specialized assessments include RBA Supplemental VAPs, our HPE Foreign Migrant Worker Assessments (created with the support of Verite), and investigations and assessments that target specific aspects of forced labor and incorporate a heavy reliance on worker interviews. As part of this process, we began engaging local or regional NGOs to better understand how forced labor manifests in specific areas. These assessments are carried out by auditors with specific expertise related to the issue area, typically through an independent third party. 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 FY21, 85 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, such as if we have strong reason to believe workers were coached.

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. HPE 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 and introduce effective management systems to prevent fees.

In addition to audits and assessments, in 2020 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. We also actively engaged in the development of RBA's Standard for the Investigation and Repayment of Fees, which became effective in 2021. 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***

We've restructured our approach to training to better track and ensure all primary stakeholders receive regular, meaningful training. We categorize these trainings as:

Multi-supplier trainings	Direct 1:1 capacity-building with suppliers	Workers	Internal teams – such as sourcing – who help enforce our policies and standards
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### *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. We offer more targeted training for HPE employees on Human Trafficking Awareness through various employee awareness and volunteering events, as well as 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 modern slavery volunteering initiative. This initiative encourages HPE employees to volunteer with organizations that work to combat modern slavery and support survivors of human trafficking.<sup>6</sup>

For example, throughout FY21, HPE employees donated their time and expertise to work with Sophie Hayes Foundation in the UK to develop survivor-informed online security training for survivors of human trafficking. Survivors played an important role in informing content and the approach of this training.

In addition, we regularly train HPE buyers (e.g., managers in strategic sourcing) on key SER risks, including modern slavery and working hours, our approach to supply chain

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<sup>6</sup> Volunteering through this modern slavery volunteering 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.

responsibility, and how such buyers' purchasing practices can exacerbate or reduce risk of forced labor in our supply chain. We work closely with buying teams, and with each critical finding, we facilitate 1:1 discussions with relevant internal sourcing managers to review and share best practice on our sourcing practices and aim to leverage our practices to positively impact supplier SER performance.

### *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, 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.)

Training and capability building activities in 2021 included:

- 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. Our live, facilitated trainings on human rights, conflict minerals, forced labor, hours, and health and safety reached a total of 313 participants, and approximately 62% of our suppliers in our program (which covers tier 1 and 2 suppliers who account for 98% of our supply chain spend). For example:
  - In December 2020, we and a peer company commissioned Elevate, a leading supply chain consultant, to provide two virtual supplier trainings in China on managing forced and bonded labor risks, and ensuring worker voice. HPE invited all of its suppliers across China. Approximately 150 HPE supplier participants attended. We followed up with additional guidance through an additional pre-recorded worker engagement training in January 2021.
  - In July 2021, we co-sponsored supplier responsibility 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 and Europe/North America), and were made available to all RBA members. The multi-part trainings across two days covered changes to the RBA Code, with deep dives on how to practically meet new expectations for forced labor and recruitment fees, worker health and safety, responsible sourcing of minerals, and greenhouse gas emissions. It also touched on continued support for worker well-being during the pandemic. The training reached

over 470 representatives throughout our extended, global value chain. Feedback from sessions was overwhelmingly positive, with over 90% of attendees rating their overall learning experiences as outstanding or good.

- Addressing risks due to COVID-19: HPE continued to support suppliers and their workers as the pandemic persisted, leveraging our 2020 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, Elevate webinars, 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.
- Best Practices: HPE introduced the collection and dissemination of best practices and resources to all suppliers in our program. We send a monthly best practice note on various responsible supply chain topics, including areas of forced labor, with the intent of increasing supplier engagement and support for continuous improvement.
- Worker Human Rights Training: We began working with peers and an industry membership group to plan and begin developing content for worker human rights training.
- We provided direct support and continuous guidance for our suppliers with major, priority, and critical non-conformances. For example:
  - 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 requested and reviewed in great detail evidence of progress from suppliers. We updated our approach and our Migrant Worker Standard to require all suppliers to consult workers in defining their fee reimbursement plan, and throughout the process.
  - In our first quarter, we graduated all suppliers from our reimbursement program, having reviewed proof of all workers being fully reimbursed and practices improved, which was a significant new modern slavery milestone for HPE.
  - HPE scheduled targeted annual check-ins with suppliers, which are our

- annual in-depth discussions on HPE’s SER priority areas (including, preventing and addressing forced labor, and worker voice).
- HPE co-sponsored an in-depth course on forced labor for factories in Taiwan and Malaysia, titled “RBA’s Courses 101 and 201: Responsible Recruitment Due Diligence.” HPE sent five supplier representatives across Taiwan (April and May 2021) and Malaysia (May and June 2021) with high-risk indicators of potential forced labor to develop their personal skills and factory capacity to manage forced labor. RBA’s Courses 101 and 201 are a way to deepen key employees’ understanding of forced labor practices. The courses cover local legislation, RBA Code requirements, in-depth review of types of recruitment fees, common costs, and worker experiences by various migration corridors.

This coming year we will continue to provide training in all categories, including two notable efforts:

- Training suppliers on our updated Migrant Worker Standard, helping our suppliers demonstrate our joint commitment to the principles set forth in the ILO Core Conventions, especially ILO Forced Labor Convention, 1930 (No. 29) and Abolition of Forced Labor Convention, 1957 (No. 105), Minimum Age Convention, 1973 (No. 138), Worst Forms of Child Labour Convention, 1999 (No. 182), and the Convention on the Rights of the Child.
- Completing and piloting human rights modules for workers.

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 FY21:

- HPE continued to actively engage in the RLI and subgroups working on specific standards, guidance, and tools to prevent and address modern slavery risks. We contributed to practical strategies and tool development through RLI subgroups, including actively contributing to their updated Definition of Fees, and RBA’s Standard for the Investigation and Repayment of Fees (2021).
- HPE worked with peers and suppliers to understand emerging forced labor risks across Asia, and best practices in assessing and preventing forced labor.
- HPE worked with peers and suppliers to amplify common messages on zero tolerance for forced labor and the need to prioritize worker well-being during a pandemic.
- HPE recognizes forced labor and wage risks are often linked. In FY21, we helped establish and actively participate in task force specifically researching and planning how to introduce living wage measures across the electronics

supply chain. No single electronics company can achieve this without collective action.

- HPE continued to engage and demonstrate our leadership in the Employer Pays Principle through 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 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 continued to maintain a high level of monitoring. For example, we leveraged RBA's virtual and semi-virtual audits, and continued to commission supplier assessments through Verite's Cumulus tool, which works remotely with suppliers to assess policies, practices, and agreements between suppliers and their recruitment agents.

In FY21 we identified four critical findings in our supply chain, of which two relate to modern slavery: retention of personal documents (bank cards) and restricted movement (curfews, mandatory overtime, and deductions to pay off worker advances). We identified these cases through expansion of our monitoring process into new indirect services, with a new supplier and their supply chain. 430 workers in our second tier were impacted by these non-conformances. HPE and a third-party expert are now working intensively with the supplier, as we do in each instance of a critical finding, to ensure all personal items are returned to workers, outstanding wages are paid, and management systems, capacity and practices are improved, while ensuring continuous worker engagement throughout the process and as new standard practice.

The experience has taught us more about risks in new areas of our indirect supply chain, and in our tier 2. As such, from FY22, we will formally include these types of indirect suppliers in our audit program. We have also incorporated into our expanded local monitoring worker needs identified through interviews and engagement and worked with our supplier to improve their management systems, including improvements to grievance mechanisms, new channels for proactively engaging with workers, increased earnings, and new systems for managing third-party contractors.

We have advanced our approach to consulting with affected workers, seeking to gather meaningful feedback from workers in order to inform our program priorities (of which forced labor remains), and to improve our understanding of best practices, and as such guidance and requirements for suppliers. During our experience and through consultation with experts and rightsholders representing migrant worker rights, we found that engagement is more effective when worker interviews are conducted through third-party local experts, and as such we are seeking opportunities to improve our worker-led monitoring through partnership with local partners. We also require heightened engagement with workers when we identify and address critical issues in our supply chain, which is included in but not limited to remedy procedures (see 2021 updates to remedy requirements in our Migrant Worker Standard). This year we worked with a final assembly supplier, the union, a third-party expert, and an NGO to address concerns raised by workers through an NGO. Our immediate response was to commission a third party to speak with a large sample of workers and union representatives to understand their priorities and concerns, and to carry out an assessment of related management systems and practices. The supplier engaged in a six-month program of improvement, training, worker engagement, and heightened monitoring with HPE - focusing primarily on worker priorities of effective grievance mechanisms, increased and more effective engagement with the union, and non-discrimination. The workers, union representatives, and other stakeholders helped us understand what matters most to them (increased voice, flexibility, alternative shift patterns, and equal opportunity in promotions). A final independent audit confirmed the supplier effectively addressed all non-conformances. Worker feedback has spurred our work with peers to develop worker human rights training (which we plan to roll-out along our supply chain), and helped us shape our supply chain gender plans, as published in our 2022 Commitment to Respect the Rights of Marginalized Groups (covering migrants, women, children and youth, racial and ethnic minorities, and human rights defenders). This effort also helped our understanding of best practice in engaging union representatives in supplier improvement planning.

A review of our findings by supplier type and tier suggests the nature of forced labor risks are the same across all suppliers, namely fees, restricted movement, and withheld documents, but are more prevalent further down our supply chain.

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 polices 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, through joint letters, signing public pledge campaigns, and other public forums. The goal of our participation in these initiatives 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 FY21, HPE:

- Supported various initiatives through our membership, encouraging governments to engage and prioritize forced labor.
- Submitted a letter of support for California Assembly Bill 364 in advancing responsible recruitment practices in California.
- Joined 43 other investors and companies in issuing a joint statement to support meaningful and safe stakeholder engagement as a central aspect of the EU framework on mandatory human rights and environmental due diligence.
- Joined the Thomson Reuters Foundations and several companies in issuing a joint statement on the European Commission's Sustainable Corporate Governance Initiative, specifically welcoming the intent of the initiative, particularly given the importance of human rights due diligence in addressing the issue of modern-day

slavery.

- Began our participation in the Business Network on Civic Freedoms and Human Rights Defenders
- Signed the Businesses for Refugees Pledge, with over 420 businesses across the United States sharing an important message that American companies want to welcome refugees and business leaders value their refugee neighbors.
- Expanded our employee volunteering and awareness-building opportunities with modern slavery NGOs around the world through our modern slavery volunteering initiative, in key locations where HPE employees live and work. This program aims to offer our professional skills and time to help prevent modern slavery and mitigate the impact of modern slavery on survivors.
- Shared best practices through presentations at various global events including:
  - Our approach to responsible recruitment on a corporate panel at the Global Forum for Responsible Recruitment, an event with 2600 registrants, facilitated annually by the ILO, International Organization for Migration, and the Institute on Human Rights and Business.
  - HPE’s progress in managing modern slavery at a Thomson Reuters Foundation Roundtable for Stop Slavery Award applicants.
  - At several sessions of the newly launched UN B-Tech Community of Practice group, comprised of human rights professionals from approximately 10 global technology leaders. On December 9, 2021, HPE’s COO, John Schultz, also participated in the UN B-Tech Leadership Dialogue Technology Executives in dialogue with the UN High Commissioner for Human Rights: *The role of business leaders in advancing corporate respect for human rights* (see John Schultz’s blog post: Accelerating our commitment to human rights).
  - On our approach to responsible recruitment and industry leading practice at an event organized by the government of Taiwan’s National Immigration Agency.
  - At the OECD Global Forum on Responsible Business Conduct (RBC) discussing (i) the perspectives of young people, business innovators, worker representatives and community activists on the critical future RBC issues; and (ii) different cost-sharing models for carrying out supply chain due diligence, persistent pain points, and possibilities for redistributing costs in ways that appropriately recognize the value and benefits of due diligence.
  - On remedy harms, challenges, and solutions in the technology sector at a UN conference titled OHCHR Multi-Stakeholder Consultation on Access to Remedy in the Tech Sector.

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 FY21 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 6, 2022.

*Reiner, Gary*

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