Hewlett Packard Enterprise

Supplemental Information for KnowTheChain Benchmark

Respecting human rights is a core value at Hewlett Packard Enterprise (HPE) and is embedded in the way we do business. Investing in ethical practices while delivering financial results is a responsibility HPE takes seriously.

HPE values the opportunity to engage with KnowTheChain (KTC) to better understand their guidance on best practice for the IT Manufacturing Industry. We share the following text as a supplement to what we have previously made publically available.

1.2(1) **Supplier Code of Conduct**	Please see HPE's updated Supplier Code of Conduct: https://h20195.www2.hpe.com/v2/Getdocument.aspx?docname=c04797632. • Section A.7: This section on Freedom of Association has been updated to delete the phrase "unless it is prohibited by local law."
1.5(1) **Stakeholder Engagement**	In 2019, HPE joined the Indian Responsible Gold Sourcing Workshop in New Delhi, India. The multi-stakeholder event, organized in partnership between The Organisation for Economic Co-operation and Development ("OECD") and various Indian responsible gold sourcing organizations, was designed to drive the uptake of responsible gold sourcing practices in India. Outcomes, commitments, and milestones from the event are posted here (with HPE's participation by Jackie Huddle noted on page four). During the event, OECD presented and led a discussion on its Due Diligence Guidance for Responsible Minerals Supply Chains, ***focusing on risks of serious human rights abuses, including all forms of torture, cruel, inhuman, and degrading treatment; any form of forced or compulsory labor; and the worst forms of child labor, such as exposure to hazardous substances or the use of dangerous machinery***. OECD and its workshop participants discussed strategies and best practices to assess and mitigate Annex II risks in conflict-affected-and-high-risk-areas, including forced or compulsory labor associated with the extraction of minerals. Participants came to an agreement that gold responsible sourcing in India should align with the OECD Due Diligence Guidance, and applies to all gold supply chain actors, including gold traders, refiners, bullion dealers, jewelers, and exporters. Refiners agreed to undergo external audits to assess their alignment with OECD's responsible sourcing guidance. These audits incorporate risk assessments for the mitigations of forced labor.
2.2(2) **Risk Assessment**	Please see the TES case study on page 59 of our 2018 Living Progress Report for an example of our beyond tier one response in practice. The example provided relates to an "e-waste recycling vendor." HPE uses various tools made available through our memberships and partnerships with various organizations to assess risk and understand the needs of workers beyond tier one in the supply chain. For example, we utilize migrant worker data through a tracker provided the Responsible Business Alliance ("RBA"), which is complimented by our research on supplier challenges to implement and monitor their own labor providers on responsible recruitment. In addition, we put forward a group of HPE suppliers for Verite's online data platform (Cumulus) to monitor and risk assess their recruitment agencies for compliance and adoption of best labor practices. We also work with our tier one suppliers to ensure that they hold their own suppliers accountable to our standards and monitor against such standards to ensure compliance. This is monitored and enforced through third party RBA VAP audits. Where a tier one supplier lacks capacity to carry out this requirement, we have included HPE tier two suppliers in our audit assurance program. In 2019, approximately 20 percent of our audit assurance program was comprised of facilities from tier two relationships.

3.2(1) **<u>Supplier Selection</u>**	Please see page six of <u>Our Approach</u>, which states that "[w]e consider the risk profile of every supplier and conduct a formal preliminary risk assessment if necessary." *We confirm that forced labor is a risk factor considered in this context*. During 2019, HPE has carried out preliminary risk assessments with respect to several shortlisted suppliers. Throughout various bidding processes, HPE applied as part of its assessment Social and Environmental Responsibility ("SER") questions, calls for policy or procedural evidence, and interviews with workers (including with respect to labor practices) in order to select suppliers that align with our values and requirements.
3.3(1) **<u>Integration into Supplier Contracts</u>**	Please see HPE's updated Supplier Code of Conduct: https://h20195.www2.hpe.com/v2/Getdocument.aspx?docname=c04797632: • Section A.7: This section on Freedom of Association has been updated to delete the phrase "unless it is prohibited by local law." Adherence to the HPE Supplier Code of Conduct, including the above referenced provision on Freedom of Association, is included in supplier contracts. The following is the standard provisions included when we are entering into a new agreement with suppliers, requiring such suppliers to adhere to HPE's Supplier Code of Conduct (including Section A.7 on Freedom Association) and other SER Policies (including with respect to forced labor): • Example 1: Supplier will comply with HPE's Supply Chain Social and Environmental Policy, HPE's Supplier Code of Conduct, and HPE's Social and Environmental Responsibility Requirements. • Example 2: Social and Environmental Responsibility ("SER"). Service Provider warrants that in all countries in which Service Provider and its subcontractors do business, its operations comply with all applicable laws and regulations governing labor and employment, employee health and safety, protection of the environment, sustainability, and ethical practices. Service Provider will comply with HPE's Supply Chain Social and Environmental Policy, HPE's Supplier Code of Conduct, and HPE's Social and Environmental Responsibility Requirements.
3.3(3) **<u>Integration into Supplier Contracts</u>**	The HPE Supplier Social and Environmental Responsibility Requirements apply to any Supplier doing business with HPE and are part of any contract with an HPE legal entity that obligates a Supplier to comply with HPE's SER requirements or policies, including the Supplier Code of Conduct. For purposes of this HPE policy, the term "Supplier" refers to any party who provides goods or services for HPE's internal use or in connection with a product that is sold, provided, or marketed by HPE. The Policy Section of the HPE Supplier Code of Conduct ("HPE Code") states the following: • "***The HPE Code is a total supply chain requirement. At a minimum, Suppliers shall require their next tier Suppliers to acknowledge and implement the HPE Code and flow down the requirements of the HPE Code down to their sub-tier Suppliers. The requirements of the HPE Code applies to all workers, including temporary, migrant, student, contract, direct employees, and any other type of worker.***" Section E.12 of the HPE Supplier Code of Conduct states the following: • ***"Supplier Responsibility Process to communicate the Hewlett Packard Enterprise Code requirements to next-tier suppliers and to monitor compliance to this Code."***

5.1(3) **Worker Engagement**	In 2019 we worked with Impactt to facilitate improvements in understanding and collaboration between workers and management using social psychology techniques. Workers, supervisors, and management of a certain hardware provider provided very positive feedback. Most workers reported that communication in the factory has improved, resulting in better relations between management and workers, in addition to more proactive sharing of information with workers. Workers provided feedback in line with these sample quotes: • "We got more connected." • "We feel we are more close to each other." • "I [now] feel respected." Line supervisors also reported improvements in communication. Typical feedback is summarized in these line supervisor quotes: • "I learned empathy from sharing." • "Before training, I communicated problems with workers too directly. Sometime they were very defensive. After the training from Impactt, I started to take into account worker's emotion and use more of a respectful manner for difficult communication. It makes workers more acceptable and I am also happier." • "Previously we had many trainings, but most training was technical training. From April, the factory provided many soft skills training. The training is very interactive and we were encouraged to share our ideas. I felt respect, valued, and had fun during the training. I am more willing to apply the skill into my daily worker management." Through regular monitoring with workers, including via surveys and follow-up interviews, we were able to understand how our comprehensive capacity-building programs at this specific site made a difference to workers. Workers, management, and our third party assessor reported that improved communication resulted in workers trusting that overtime is voluntary, feeling comfortable refusing overtime without repercussion, and reporting stronger understanding of site policies and procedures. Our third party trainer also used workers concerns to tailor the training program to workers' needs and suggestions. As referenced in Section 3.2, HPE reaches out and interviews potential suppliers' workers during the tender phase of significant or high risk contracts. We believe that the best way to understand working conditions is to speak with workers.
5.3(4) **Grievance Mechanism**	***HPE provides multiple channels for individuals in our value chain to raise concerns, including our workers, those of our suppliers, community members, and the general public.*** Concerns about conduct that HPE workers and those of our suppliers see or hear are encouraged to be raised through one of the many reporting channels. Such allegations are taken seriously and handled through our internal procedures for responding, investigating, and tracking to these concerns and allegations. For example, Navex, a third party, operates our anonymous grievance channel called EthicsPoint. It is a global service that allows individuals (employees, partners, suppliers' workers, community members, and the general public) to raise concerns in any language by phone or the internet and to access Navex's global team of translators. Navex provides coverage in over 150 languages, which covers all appropriate languages in each country where HPE operates. When HPE or a trusted third party has an opportunity to speak with workers, we inform them of this reporting channel. We also disclose information about reported channels in our annual Living Progress Report (pages 55-56). HPE's 24-7 hotline with translators and process (including timeline) is described here: https://secure.ethicspoint.com/domain/media/en/gui/44841/index.html. It specifically describes the process and handling of concerns, referencing who handles complaints, and relevant timelines. HPE has also posted informational posters in public spaces at an assembly facility in Singapore, specifically to raise awareness among contingent workers about various means of communication that can be used to report a concern or violation with respect to the HPE Standards of Business Conduct.

7.2(1) **Remedy Programs / Response to Allegations**	HPE promptly investigates third-party allegations related to forced labor. If the investigation indicates that a violation has occurred and once we clearly understand the nature of the violation, our approach involves the following: • internal escalation to align priorities and expectations, • a senior management meeting between HPE and our partner to secure supplier commitment to improvement, • co-creation of an improvement plan, and • improvement and monitoring. We seek to investigate critical concerns immediately and build capacity over a three to nine month program, depending on the nature of improvements to be implemented. Allegations or issues raised through HPE's 24-7 hotline are handled according to a clear internal process. This process for handling concerns, including timeline and a description of who handles complaints is described here: https://secure.ethicspoint.com/domain/media/en/gui/44841/index.html.