

Hewlett Packard Enterprise Co.

TICKER
NYS:HPE

MARKET CAPITALIZATION
US\$26 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: Yes
California Transparency in Supply Chains Act: Yes

TARGETS
None

OVERALL RANKING

1 out of 49

([2018 Rank](#): 3 out of 40)

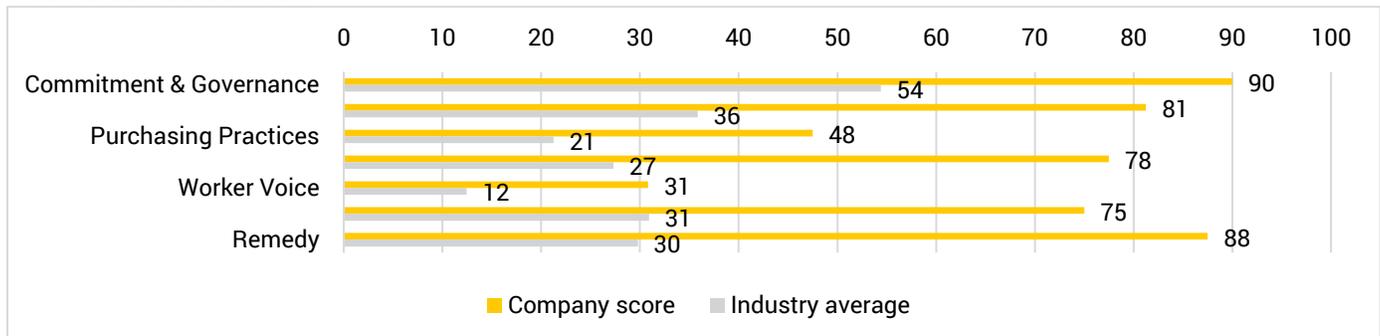
OVERALL SCORE

70 out of 100

SUMMARY

Hewlett Packard Enterprise Co. (HPE) ranks first out of 49 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Compared to 2018, the company improved its rank by two places. The company has improved by disclosing monitoring of suppliers below the first tier of its supply chains, remedy outcomes for workers in its supply chains, information on its supplier selection process, and details on its corrective action process. Notably, the company is one of the two highest-scoring companies on the themes of Recruitment and Remedy and is the only US company that does not limit its provisions on freedom of association to adherence to local law. In particular, the company discloses undertaking mapping of the legal regulations and financial costs of recruitment in a number of recruitment corridors, and it has partnered with others in the industry to develop supplier guidance on repaying recruitment-related fees to workers. The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, and Worker Voice.

THEME-LEVEL SCORES



Research conducted through October 2019 or through January 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

KEY DATA POINTS**SUPPLIER LIST**

Yes

AVERAGE SUPPLIER SCORE

32/100

HIGH-RISK SOURCING COUNTRIESChina, Malaysia¹**NO-FEE POLICY**

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAINS WORKERS

Yes

LEADING PRACTICES

Training: HPE discloses that it has delivered training to its indirect suppliers. It partnered with peers and suppliers to train suppliers in three Asian countries on conducting assessments for key risks in their supply chains. It reports that it committed to the training to further the reach of its programs beyond the first tier of its supply chains.

Recruitment: The company reports that it has mapped a number of recruitment corridors (and their legal regulations) as well as the costs of recruitment. It states that it has shared the results of its mapping with the Responsible Labor Initiative (RLI). HPE discloses that it has also worked with the RLI and other companies to develop guidance for suppliers on repaying recruitment fees to workers.

Remedy: HPE discloses that it remediated two findings of forced labor that were discovered in 2018. It states that actions taken to provide remedy include repaying recruitment fees, returning deposits, making changes to worker contracts and contracts with labor agents, updating the suppliers' policies and procedures, and enhancing its due diligence and monitoring efforts. HPE also discloses that where worker-paid recruitment fees were discovered at a recycling supplier, it provided training on its policy and paired the supplier with another local supplier that had successfully implemented the company's policy. It reports that as a result of the capacity building, the supplier repaid all of the fees to its workers.

NOTABLE FINDINGS

Stakeholder Engagement: HPE reports that in collaboration with the labor research and consultancy organization Verité, it provided a two-day training for suppliers in Malaysia on forced labor risks. In addition, it discloses that it is a member of the UK Home Office's Business Against Slavery Working Group, the Leadership Group for Responsible Recruitment, and the Responsible Business Alliance.

Purchasing Practices: HPE discloses that it requires its suppliers to provide monthly reports on key performance indicators (KPIs) that include information on working hours and employment of vulnerable groups of workers. It states that these KPIs, along with its suppliers' audit and assessment results, are integrated into supplier scorecards. The company states that suppliers that demonstrate stronger performance against its supplier code and other policies have greater opportunities for business with the company.

Monitoring: The company reports that it works with its first-tier suppliers to monitor suppliers in the next tier. It includes second-tier suppliers in its audit program where first-tier suppliers do not have the capacity to monitor them. It discloses that, in 2019, 20% of its audit program included second-tier suppliers.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: While the company discloses that its supplier agreements require compliance with its supplier code of conduct and discloses the language of its contracts, the company may consider requiring its suppliers to do the same. In addition, though the company discloses its supplier selection process, which includes an assessment of forced labor risks, it is encouraged to disclose the outcomes of this process.

Recruitment: As the company discloses that suppliers are required to monitor and carry out due diligence on recruitment agencies, it is encouraged to disclose the details of any monitoring that takes place, such as a summary of monitoring outcomes or the number or percentage of agencies monitored. In addition, while the company discloses steps taken to ensure migrant workers are not restricted in their movement and that migrant workers understand the terms and conditions of their recruitment and employment, it is encouraged to offer evidence that the steps taken to ensure that the rights of workers in vulnerable conditions are respected and result in positive outcomes.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing. While the company discloses a grievance mechanism for its suppliers' workers and their representatives, the company should consider disclosing data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism.

ENGAGED WITH KNOWTHECHAIN

Yes ([Provided Additional Disclosure](#)).

¹ The US Department of Labor lists China and Malaysia as countries where electronics may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor](#)."