

Hewlett Packard Enterprise Co. (HPE)

TICKER
HPE

MARKET CAPITALIZATION
US\$18.8 billion

HEADQUARTERS
United States

DISCLOSURES

[UK Modern Slavery Act:](#) Yes

[Australia Modern Slavery Act:](#) Yes

[California Transparency in Supply Chains Act:](#) Yes

OVERALL RANKING

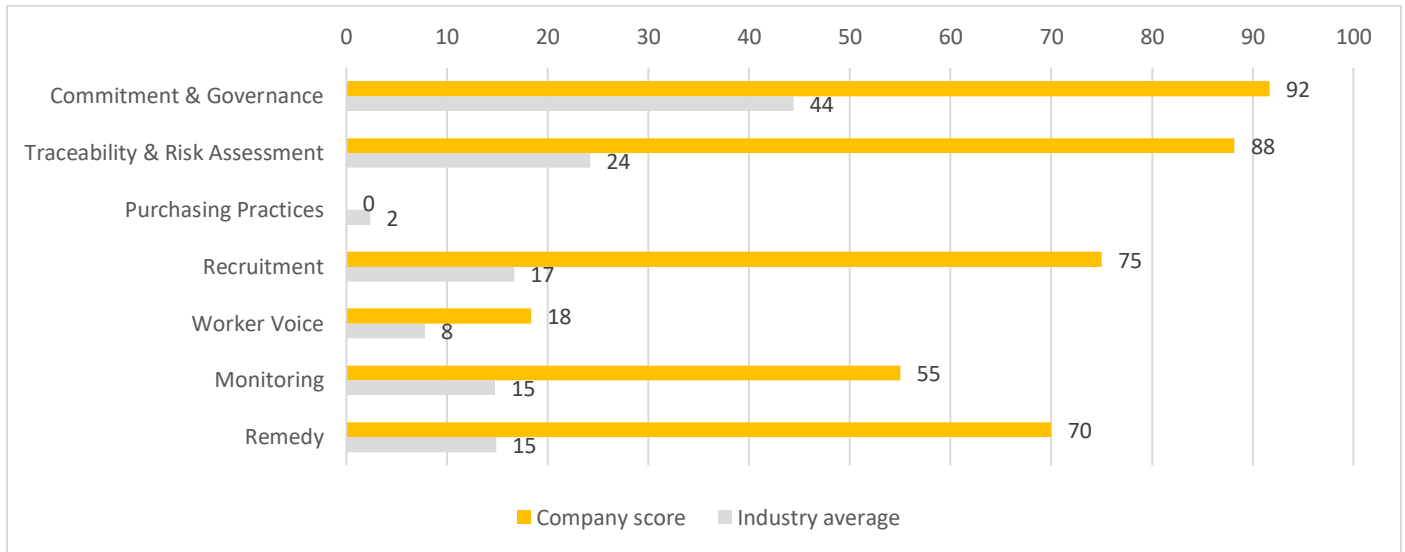
1 out of 60

([2020 Rank:](#) 1 out of 49)

OVERALL SCORE

63 out of 100

THEME-LEVEL SCORES



KEY DATA POINTS

SUPPLIER LIST

Yes

RISK ASSESSMENT

Yes

ENGAGED WITH KNOWTHECHAIN¹

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK SOURCING COUNTRIES

China and Malaysia

SUMMARY

Hewlett Packard Enterprise Co. (HPE) ranks 1st out of 60 companies. Compared to 2020, the company maintained its rank. This is because the company began disclosing data on its supply chain workforce, strong detail on its human rights risk assessment and stakeholders engaged in the process, more information on its due diligence processes for preventing the charging of recruitment fees to supply chain workers, and detailed examples of the remediation of recruitment-related fees to suppliers' workers. The company has the highest score on the themes of Commitment & Governance, and Traceability & Risk Assessment. Notably, the company is the only benchmarked company to cite engagement with a union in its supply chains in the resolution of a worker grievance. The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Worker Voice, and Monitoring.

LEADING PRACTICES

Risk Assessment: The company reports that it engages with non-governmental organisations (NGOs) on forced labour topics to research and better understand risk, including “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.”

Recruitment: HPE's migrant worker standard requires suppliers to provide evidence of payment of recruitment-related fees to labour agencies for all migrant workers through the form of invoices and payment documentation. The company also discloses its process for tracing labour agencies used by suppliers. HPE reports working with four suppliers to repay USD half a million to workers that paid fees to agencies and states that its suppliers have all “graduated” from its reimbursement program. HPE discloses that at one factory in Malaysia, workers had paid fees and the supplier agreed to repay all workers from Nepal regardless of whether they had evidence of fee payment. The company reports that workers were consulted on the remediation plan and surveys found a high level of satisfaction with the repayment.

Freedom of Association: The company reports working with a union, in collaboration with a supplier and a non-governmental organisation, to resolve a worker grievance. A six-month program of improvement following this included “increased and more effective engagement with the union.”

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: The company reports training its buying teams on responsible purchasing practices and the potential for purchasing practices to increase forced labour risks. To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Worker Voice: While the company discloses engaging with a union to resolve a worker grievance in its supply chains, it remains unclear how collective worker empowerment is supported at a systemic level by working with unions across supply chain tiers and contexts. The company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

Monitoring: The company discloses its monitoring methodology and strong detail on the findings of its monitoring processes including beyond the first tier. While the company notes that it is “seeking opportunities to improve our worker-led monitoring through partnership with local partners,” implementing specific practices, such as interviewing workers and in particular using worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers’ rights and priorities), may help the company detect forced labour risks in its supply chains.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain’s [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, 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](#).