HP is committed to acting with integrity, fairness, transparency, inclusiveness and accountability, which we believe are fundamental principles underlying an inclusive society and a thriving business. We are uncompromising in our high expectations of ethical behavior by our employees, partners, and suppliers. In the following statement published pursuant to the Modern Slavery Act 2015 (the “Act”), we discuss our efforts to address modern slavery during the fiscal year ended October 31, 2018 (“2018”).

HP’s Business and Supply Chain

HP is a fortune 100 company with over $58 billion in net revenue for 2018, operating in approximately 61 countries, with approximately 55,000 employees. Our Printing business provides consumer and commercial printer hardware, supplies, solutions and services, as well as scanning devices. Our Personal Systems business provides commercial and consumer desktop and notebook personal computers (“PCs”), workstations, thin clients, commercial mobility devices, retail point-of-sale systems, displays and other related accessories, software, support and services.

From PCs to printers, HP’s unique products require a vast network of suppliers spanning six continents. We have approximately 735 manufacturing suppliers that produce the products we sell and several thousand non-manufacturing suppliers that provide goods and services in support of our operations. We disclose the names of our manufacturing suppliers that comprise approximately 95% of our manufacturing spend. Our products are manufactured in more than 39 countries and territories, but over half of our manufacturing suppliers are based in the Asia Pacific region.

As part of our commitment to address modern slavery, we start with our own operations and suppliers while striving to collaborate more broadly in ways that drive positive change. Modern slavery, as defined in guidance under the Act, can manifest itself in different ways, including through debt bondage, forced labor, and human trafficking.  

1 Unless otherwise specified or unless the context otherwise requires, references to “HP,” “we,” “us” or “our” refer to HP Inc. and its consolidated subsidiaries as of October 31, 2018.
2 Modern Slavery Act 2015, Section 54 – Transparency in supply chains etc.
3 We use these terms interchangeably when describing HP's existing programs and policies.
First, our supply chain responsibility program primarily focuses on engagement with manufacturing suppliers with whom we have a direct contractual relationship. We typically have multi-year agreements in place with these suppliers. This allows us the opportunity to build supplier awareness and capability to meet our supply chain responsibility expectations, including the implementation of and adherence to policies and processes to address the risks of modern slavery. These agreements require in turn that our manufacturing suppliers mirror our expectations with their suppliers.

Second, we strongly believe that partnership with other companies and key stakeholders is critical to facing the challenges of modern slavery. We work through the Responsible Business Alliance (“RBA”) to create and share leading practices and programs to advance improvements to the RBA Code of Conduct and capabilities of its member suppliers. HP’s Director of Human Rights and Supply Chain Responsibility is the chair for the steering committee of the RBA Responsible Labor Initiative, a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers are consistently respected and promoted. We seize opportunities to cooperate across the broader business community, for instance becoming one of the founding members of the Leadership Group for Responsible Recruitment, which is focusing on eradicating worker-paid fees.

**HP’s Policies**

**HP Governance**

Integrity is the foundation of HP’s global business and our promise to customers and communities. We hold our leaders, employees, suppliers, and business partners to the highest ethical standards and require their compliance with applicable laws and regulations. We joined the United Nations Global Compact in 2002, aligning our strategies with their ten universal principles, including those addressing human rights and labor. The HP Board of Directors’ Nominating, Governance and Social Responsibility Committee oversees HP’s policies and programs relating to global citizenship and other legal, regulatory, and compliance matters regarding current and emerging political, environmental, global citizenship, and public policy trends. HP’s Chief Ethics and Compliance Officer oversees implementation of our global code of conduct called Integrity at HP. HP’s Chief Supply Chain Officer oversees implementation of our human rights commitments (found within our Sustainable Impact and Human Rights Policy) and designs processes to prevent, mitigate, and remediate related impacts.

**HP Operations**

Core expectations for our own operations are described in Integrity at HP which sets forth our strongest standards to date for HP and our employees. HP’s Sustainable Impact and Human Rights Policy includes our commitment to respect human rights as well as to take action against the offenses that comprise modern slavery. Our employees are expected to report any concerns they have with respect to non-conformance with any of these policies, and our management is expected to act upon any such concerns. Contingent workers must similarly comply with the HP Contingent Worker Code of Conduct.

**Supply Chain**

Key expectations of our suppliers are contained in HP’s Supplier Code of Conduct, which incorporates international labor and human rights principles (and aligns with the RBA code of conduct). Our contracts with suppliers require them to ensure that workers associated with HP production at supplier facilities have: (i) the right to freely chosen employment; (ii) the right, in accordance with local laws, to join labor
unions on a voluntary basis, to bargain collectively as they choose and to engage in peaceful assembly; and (iii) the right to a workplace free of harassment and unlawful discrimination. HP’s manufacturing suppliers also agree that their operations comply with applicable laws regarding forced labor, child labor, and human trafficking.

We recognize that certain groups of workers in our supply chain may be more vulnerable than others to risks of modern slavery and have developed two specialized standards that are applied in targeted jurisdictions:

- **To protect young workers (16 and 17 years old), contracted dispatch workers, and students, we require that suppliers with facilities in the People’s Republic of China conform to our**
  
- **Student and Dispatch Worker Standard.** This standard requires that students make up no more than 20% of the direct labor supporting the manufacturing of HP products, packaging, components, subassemblies and materials, and that all student work is voluntary, meets local laws and regulations, and furthers a student’s education.

- **We believe foreign migrant workers are especially at risk for exploitative labor practices and forced labor. To respect their rights, HP became the first technology company to set requirements for suppliers on how they recruit, hire, and manage such workers. Our Foreign Migrant Worker Standard requires direct employment of foreign migrant workers by our suppliers, as well as prohibiting retention of worker passports and personal documentation and requiring the elimination of worker-paid recruitment fees.**

How HP detects and addresses the risks of modern slavery

**HP Operations**

Pursuant to the policies for our operations outlined above, HP employees and contingent workers are prohibited from engaging in trafficking in persons, which includes but is not limited to the illegal movement of people, sexual exploitation, and the use of forced or child labor of any form. To avoid the risk of debt bondage or forced labor when recruiting HP employees, we provide accurate information to potential candidates about the prospective work. Candidates are not to be charged applicant or recruiting fees.

HP maintains a strong culture of open communications. We encourage anyone with a concern to speak up without fear of retaliation. Multiple communication channels make it convenient for employees and other stakeholders, such as business partners and customers, to ask questions or report a concern to HP. Any concerns or alleged violations of Integrity at HP or the Sustainable Impact and Human Rights Policy are taken seriously and responded to swiftly and decisively with disciplinary or remedial actions where appropriate, up to and including termination and referral to external agencies where appropriate.

We convene a Human Rights Council bi-annually to review the results of our human rights assessment and to align on a plan of action for continuous improvement.

**Supply Chain**

HP’s supply chain responsibility program focuses on protecting and empowering workers while simultaneously creating benefits for us and our customers. With our supply chain policies and standards as a baseline, detecting and addressing the risks of modern slavery are part of a broader approach to identify and mitigate social and environmental concerns. HP works to identify and characterize sources of risk and
their context, which can be identified at a global or regional level, and at the level of individual manufacturing and non-manufacturing suppliers.

While all suppliers are expected to meet – and may be required to demonstrate that they meet – the standards set forth in our Supplier Code of Conduct, we place special emphasis on the treatment of foreign migrant workers in our supply chain. To evaluate risks related to modern slavery and conformity to our Foreign Migrant Worker Standard, we analyze indicators such as employment of vulnerable worker groups and the use of third-party agents in the recruitment or management of workers. Our manufacturing supplier risk assessment for foreign migrant workers considers supplier location, manufacturing process, supplier reputational and business information, and external stakeholder information. Typically, if the supplier is considered a high-risk supplier with whom we have a certain level of spend, we require the completion of a foreign migrant worker self-assessment questionnaire. We conduct specialized assessments of conformance with our Foreign Migrant Worker Standard for selected manufacturing suppliers.

Our foreign migrant worker risk assessment also informs our broader annual manufacturing supplier program activities. A supplier self-assessment questionnaire is used to prioritize audits. If an audit is scheduled, it will evaluate the supplier’s conformance to HP’s Supplier Code of Conduct and/or specialized HP labor standards. Announced audits of certain high-risk manufacturing suppliers are conducted by independent third-party auditors through the RBA Validated Audit Process or by certified HP auditors. For suppliers with an audit or self-assessment non-conformance related to foreign migrant workers, we engage in quarterly monitoring to encourage continuous improvement.

For non-manufacturing suppliers, we start with a social and environmental responsibility risk assessment which considers industry risks associated with the particular category of products or services provided, the geographies in which the supplier operates and whether the country has elevated risks of modern slavery. Typically, medium- or high-risk suppliers must complete a self-assessment questionnaire tailored to their particular industry. Some suppliers will then undergo further assessment by certified HP auditors and if necessary, develop corrective action plans with the supplier.

A finding of non-conformance with HP’s Supplier Code of Conduct or any other HP policy or standard related to modern slavery does not necessarily indicate that an instance of forced labor or human trafficking has occurred but may signal a lack of operations or procedures to prevent such an occurrence. Following a finding of non-conformance, suppliers are required to produce and implement corrective action plans to resolve the issue. In addition, we regularly assess our audit findings to make improvements to our approach to detecting and addressing the risks of modern slavery in our supply chain. Auditors are required to escalate any findings or indicators of modern slavery. Immediate priority audit findings are the most serious type of supplier non-conformance. These findings include potential indicators of child labor, forced labor, severe forms of discrimination, health and safety issues posing immediate danger to life or risk of serious injury, and perceived violation of environmental laws posing serious and immediate harm to the community. Suppliers must immediately cease all practices contributing to an immediate priority audit finding and report their corrective action no later than 30 days after the original audit or specialized assessment. The finding will then be re-examined during a site visit by a third party or certified HP auditor to confirm resolution.
With respect to both HP operations and our supply chain, we ensure that risks we have identified as high priority are communicated to the highest levels within our organization. A summary of the findings and corrective actions relating to modern slavery risks are reported to the Chief Supply Chain Officer and the Board of Directors’ Nominating, Governance and Social Responsibility Committee.

Assessment of effectiveness

HP Operations
During 2018, no issues or concerns relating to modern slavery in our operations were reported in our anonymous grievance mechanism. Nevertheless, as a part of our due diligence we conducted 10 non-manufacturing supplier (vendors providing products and services supporting our operations) assessments at several HP sites and found indicators of modern slavery4 associated with five non-manufacturing suppliers involving a few dozen workers. Risks identified varied among the suppliers, but included the charging of recruitment fees, retention of passports, not providing contracts in a language the worker understands, and impeding the freedom to resign. At the time of drafting this statement, HP is working with the suppliers to complete the remediation of the identified impacts with all workers.

Supply Chain
During 2018, we conducted 115 manufacturing supplier audits and assessments (which included labor rights), approximately 87% of which were audits conducted by independent third-party auditors. For non-manufacturing suppliers that provide goods and services for HP at their own facility, we conducted 21 audits, all of which were conducted by certified HP auditors. Six suppliers were found to have indicators of modern slavery, including passport and personal document withholding and charging of recruitment fees. We required the issues to be immediately addressed and are working with the suppliers to complete remediation to the workers and implement corrective actions to adjust their management systems. Our annual Sustainable Impact Report (published in the summer of 2019) summarizes these manufacturing and non-manufacturing supplier audits, including the number of suppliers reviewed in our assurance program and the aggregated audit results.

For student and dispatch worker performance, we track suppliers’ performance against the standards set forth in our Student and Dispatch Worker Standard for supplier facilities in the People’s Republic of China and take appropriate action when they fall short. During 2018, all of sites monitored in our key performance indicator program—maintained student worker levels at no more than 20% of the total workforce related to HP production.

The HP social and environmental responsibility manufacturing supplier scorecard is used to measure and incentivize supplier performance on a range of factors that includes audit results and other performance metrics. Suppliers who have exceptional performance in these areas are scored with a multiplier and realize a benefit in their commercial relationship with HP. In 2018, the scorecard was used to evaluate manufacturing suppliers representing approximately 43% of HP’s manufacturing spend. This process has enabled continuous supplier improvement.

---

4 We consider indicators of modern slavery to be an immediate priority labor-related non-conformance to HP policy or the Supplier Code of Conduct.
In 2018, as a part of addressing priority findings above, HP has confirmed remediation to more than 1000 workers in our operations and supply chain including more than $1.2 million USD in repayments.

Training

Our employees are trained annually on Integrity at HP, with a training completion rate of more than 99% of active employees. HP also provides an annual training for relevant procurement staff that provides the context of forced labor and slavery, how to identify the signs of forced labor conditions, a summary of HP’s policies and standards to combat modern slavery, who to contact for help, and how to report information.

We also seek to raise supplier awareness of and conformance to HP’s Supplier Code of Conduct and specialized labor standards, including ways to identify and address the risks of modern slavery. HP’s supply chain capability building programs have conducted four two-day workshops on the RBA 6.0 Code of Conduct changes, which resulted in an increase in our expectations for the treatment of foreign migrant workers. The workshops were held in Thailand, Singapore, and Malaysia and trained 189 supplier factory managers representing 118 suppliers.

We believe our role as a global company is to respect human rights around the world, both in our operations and by influencing our suppliers through our business relationships. Combating modern slavery requires persistence, ongoing due diligence, and continuous improvement. This work is consistent with the core values on which HP was founded and strives to live up to each day: to create a positive, lasting and sustainable impact on the planet, our people and the communities where we live, work and do business.

Approved by the Board, or a committee thereof delegated with authority to address such matters, on March 20, 2019, and signed on the Board’s behalf by:

Dion Weisler
President and Chief Executive Officer, HP Inc.