HP Policy Position

Social Responsibility

At HP, we are igniting innovation that creates a brighter future for everyone, everywhere. Building upon our founders' commitment and long tradition of corporate social responsibility, everything we do today is designed to help create a more sustainable business and society. Through our actions and investments, we strengthen our communities and enable the development of society at large, and we act with integrity and respect for human rights around the world.

HP's Policy Recommendations
Ethical supply chain

- In general, supply chain requirements should focus on effecting change where a business relationship is maintained and not attempt to mandate legal accountability for suppliers in the extended supply chain, where such compliance is not within a company's control. We support voluntary disclosures in lieu of mandatory reporting.

Workers

- We encourage worker rights requirements to adopt a risk-based prioritized due diligence process, consistent with international norms (UN Guiding Principles on Business and Human Rights and OECD guidance). Zero tolerance requirements do not create the right incentives for companies to conduct due diligence in good faith and to drive change when issues are found.

- HP is committed to doing our part in upholding human rights, as demonstrated by our supply chain responsibility program to respect the rights of workers, including migrant workers. Our supply chain responsibility risk-based prioritization program combines rigorous auditing with collaborative capability-building initiatives, targeting both production and nonproduction suppliers.

- We protect worker health and safety in the manufacturing process, including by responsibly managing process chemicals and adopting a precautionary approach to replace chemicals of concern. We support science-based policies, standards, and harmonized legislation to ensure that comprehensive hazard data are available for chemicals on the market and to eliminate or reduce known hazards.

Conflict minerals

- We strongly support retaining the U.S. conflict mineral reporting framework at the Securities and Exchange Commission as it has become an economic driver for smelters to responsibly source minerals in the Democratic Republic of Congo (DRC) and surrounding countries. Eliminating this requirement would result in the collapse of hundreds of mine-level traceability systems in region and reverse the industry's conflict-free momentum.

- The possibility that the manufacture of our products might be connected to the funding of armed conflict is unacceptable to HP, and we continue work to ensure 3TG used in our supply chain is conflict-free. We will continue our leadership role on this issue, building on nearly a decade of engagement.

Issue Background
Ethical supply chain

Since the formal launch of our Supply Chain Responsibility program in 2001, HP has worked closely with suppliers to improve social and environmental standards throughout the IT supply chain in innovative ways. We start with industry leading policies, standards, and practices founded on our commitment to transparency and desire to support workers, tackle environmental impacts, and benefit HP and our customers. We use our global reach to drive lasting improvements.

HP has one of the industry's most extensive supply chains, engaging tens of thousands of companies, hundreds of thousands of people, spanning continents and many cultures. HP's risk-based prioritization program combines rigorous auditing with collaborative capability-building initiatives and targeting both production and nonproduction suppliers. In addition to our audit process for existing suppliers, we conduct social and environmental responsibility assessments as part of the on-boarding process for high risk new suppliers.

Workers

We strive to improve the health and well-being of people working in our supply chain and ensure they have the opportunity for fair, safe, and voluntary labor. Our policies prohibit forced or child labor in our supply chain.

Any supplier doing business with us must meet strict social and environmental responsibility requirements. We require suppliers with facilities in the People's Republic of China to conform to our Student and Dispatch Worker Standard. This standard requires that students make up no more than 20% of the workforce, and that all student work is voluntary, meets local regulations, and furthers a student's education. During 2016, 92% of sites monitored maintained student worker levels at no more than 20% of the total workforce related to HP production.

In 2014, we became the first IT company to require direct employment of foreign migrant workers in our supply chain through the HP Foreign Migrant Worker Standard. The standard reinforced the rights of workers to retain their passports and personal documentation and prohibited worker-paid recruitment fee, and was developed in consultation with Verité, an international nonprofit that promotes safe, fair, and legal working conditions.

HP is making a concerted effort to reduce instances of excessive working hours in our suppliers' facilities, because this is one of the most common issues found in our audits, especially in Asia Pacific and China. As a result, we've improved to 97% of suppliers instituting one day rest per week, and 90% report a less than 60-hour average work week.

We are committed to protecting worker health and safety in the manufacturing process, including by responsibly managing chemicals. Our materials and chemical management policy, which applies to HP and extends to our suppliers, guides how we specify materials and chemicals for use in products, packaging, and manufacturing processes. We encourage manufacturers to expand their scope and standards from product material content to also include process chemicals. Our precautionary approach reduces hazard potential by replacing chemicals of concern with a less hazardous alternative. Government policies, standards, and legislation governing chemicals should be based on sound science and include assessment of relevant hazards, exposures and subsequent risks, and a preference for lower risk alternatives.

Our commitment extends beyond the factory floor. Since 2007, we have trained over 110,000 workers in 14 countries on topics such as worker empowerment, anti-discrimination, energy efficiency, labor rights, women's health, and financial inclusion.

Conflict minerals and raw materials

Since 2008, HP has been a leader in the effort to use validated conflict-free minerals, tungsten, tantalum, tin, and gold (3TG), originating in the DRC. We helped establish the Conflict-Free Sourcing Initiative (CFSI) and have been instrumental in the development of the Conflict Free Smelter Program and the Conflict Minerals Reporting Template. HP was the first IT company to publish a list of our supply chain smelters and to have smelters independently reviewed. Our leadership on this issue has resulted in 92% of smelters in our chain now conflict-free compliant or in the process of becoming compliant, including 100% of tantalum smelters compliant. We comply with section 1502 of the Dodd-Frank Act by submitting a Conflict Minerals Report to the U.S. Securities and Exchange Commission.

Regarding the European Union Conflict Minerals Regulation, HP is fully supportive of the EU's objective of the Regulation to have a verifiable, conflict free sourcing to avoid the inadvertent funding of conflict. In this regard, since the beginning of the decision-making process until it was adopted, HP has been engaged directly and through its trade associations with the European Commission, Member States and civil society to provide feedback on achieving a positive outcome for both society and business. To advance responsible sourcing, HP also has joined the European Partnership for Responsible Mineral Trade.

HP is an active leader in the Electronic Industry Citizenship Coalition (EICC), a leader on social, environmental, and ethical issues in the electronics supply chain. In November 2016, HP became a founding member of EICC's Responsible Raw Materials Initiative designed to address the social and environmental impacts of extracting and processing raw materials. In December 2016, HP and several other technology companies established the Responsible Cobalt Initiative to curb the child labor practices of mining cobalt in the DRC, a key mineral in the production of lithium ion batteries, working with the OECD and the Chinese Chamber of Commerce for Minerals, Metals and Chemicals.

For more information on any of these topics, please visit: hp.com/sustainability