



Modern Slavery Act Transparency Statement

HP is committed to acting with integrity, fairness, and accountability, which we believe are fundamental principles underlying an inclusive society and a thriving business. We are uncompromising in our expectations of ethical behavior by our employees, partners, and suppliers. In the following statement published pursuant to the Modern Slavery Act 2015¹ (the “Act”), we discuss our efforts to address modern slavery during the fiscal year ended October 31, 2017 (“2017”). Modern slavery, as defined in guidance under the Act², can manifest itself in different ways, including through debt bondage, forced labor, and human trafficking. We use these terms interchangeably when describing HP’s existing programs and policies. Our statement covers HP Inc. and its subsidiaries. Unless otherwise specified or unless the context otherwise requires, references to “HP,” “we,” “us” or “our” refer to HP Inc. and its consolidated subsidiaries.

HP’s Business and Supply Chain

HP is a fortune 100 company with over \$52 billion in net revenue for 2017, operating in 61 countries, with approximately 49,000 employees. Our Printing business provides consumer and commercial printer hardware, supplies, solutions and services, as well as scanning devices and 3D printing devices and materials. Our Personal Systems business provides commercial and consumer personal computers (“PCs”), workstations, thin clients, commercial tablets and mobility devices, retail point-of-sale systems, displays and other related accessories, software, support and services for the commercial and consumer markets.

From PCs to printers, HP’s unique products require a vast network of suppliers spanning six continents. We have approximately 700 manufacturing suppliers that produce the products we sell and several thousand non-manufacturing suppliers that support our operations. We disclose the names of 84 of our manufacturing suppliers, which in 2017 comprised about 93% of our manufacturing spend. In 2017, based on audits conducted at many of our suppliers’ sites, we identified

¹ Modern Slavery Act 2015, Section 54 – Transparency in supply chains etc.

² [Transparency in Supply Chains etc. A practical guide.](#)

199,432 workers. 10,771 were migrant workers. We interviewed 2,251 workers. Of those interviewed, 1,094 were male and 1,158 were female³. Our products are manufactured in more than 39 countries and territories, but more than half of our manufacturing suppliers are based in the Asia Pacific region.

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 policies and processes to address the risks of modern slavery. These agreements require that our direct suppliers mirror our expectations with their suppliers. Where we do not have direct relationships, we believe that industry collaboration can be used to appropriately accelerate change. As part of our commitment to address modern slavery, we strive to collaborate in ways that drive positive change.

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 Standards of Business Conduct. HP's Chief Supply Chain Officer oversees implementation of our human rights commitments (found within our [Sustainability Policy](#)) and designs processes to prevent, mitigate, and remediate related impacts.

HP Operations

Core expectations for our own operations are clearly described in [HP's Standards of Business Conduct](#). HP's Sustainability Policy includes our commitment to take action against the offenses that comprise modern slavery as well as our other expectations regarding human rights. 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. 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

³ These figures are based on audits conducted in 2017, which were of a subset of supplier sites and are a snapshot of a specific point in time. The numbers may vary, possibly even significantly, from year to year.

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 workforce, 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, select, 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, trafficking in persons, sexual exploitation, and the use of forced or child labor of any form. In order 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 our Standards of Business Conduct or the Sustainability Policy are taken seriously and responded to quickly, with disciplinary or remedial actions where appropriate, up to and including termination.

To monitor and manage emerging risks, if we receive allegations of child, forced or prison labor, we record that information in our global case management system. This allows us to spot potential business and geographical trends that may affect these risks and determine whether additional controls are necessary. As a result of our human rights assessment in 2016, we established the HP Human Rights Council to align on strategic choices and continuous improvement initiatives.

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.

The information received through 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 [Responsible Business Alliance \("RBA"\) 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. We identify certain suppliers for 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.

Assessment of effectiveness

HP Operations

During 2017, no issues or concerns relating to modern slavery in our operations were reported in our anonymous grievance mechanism. Nevertheless, as a part of our engagement with key stakeholders, at the end of 2017 we investigated concerns about a subset of HP employees at one location who were foreign migrant workers. We focused on their employment terms and whether they had been charged recruiting fees by our external agencies. At the time of the drafting of this statement, HP is remediating the identified impacts to the workers.

Supply Chain

During 2017, we conducted 101 manufacturing supplier audits and assessments (which included labor rights), approximately 74% of which were audits conducted by independent third-party auditors. For non-manufacturing suppliers, we conducted 24 audits, all of which were conducted by certified HP auditors. Only one supplier from the 2017 audits was found to have immediate priority labor-related non-conformances against HP policy, regarding passport and personal document withholding and payment of recruitment fees. We required the issues to be immediately addressed and worked with the supplier to implement a corrective action plan. Our annual Sustainability Report (available by June 2018) summarizes manufacturing and non-manufacturing supplier audits, including the number of suppliers reviewed in our assurance program and the aggregated audit results.

In 2017, we also completed the engagement with one supplier to investigate and implement corrective action and remedies in response to an immediate priority labor-related non-conformance identified in 2016. The supplier completed the corrective action in a timely fashion, and shortly afterward HP engaged a third party to validate the corrective action.

For student 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 2017, 100% of sites monitored 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 realize benefit in their commercial relationship with HP. In 2017, the scorecard was used to evaluate manufacturing suppliers representing approximately 50% of HP's manufacturing spend. This process has enabled continuous supplier improvement.

Training

Our employees are trained annually on the HP Standards of Business Conduct, with a training completion rate of more than 99% of active employees. HP also launched a new training program for relevant procurement staff that provides the context of forced labor and slavery, 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 included, for example, worker-management communications training, which provides employees access to mechanisms to raise issues with management or superiors. We conducted workshops in Thailand and Malaysia to train 118 supplier factory managers and 36 labor agents on our expectations for student workers and

juvenile workers, as well as delivering training to 213 supplier workers in Malaysia. Our training modules offered on social media platforms drew close to 3,000 subscribers in China.

In addition to our internal processes and programs, 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 to create and share leading practices and programs to advance improvements to the RBA Code of Conduct and capabilities of RBA member suppliers. RBA's Responsible Labor Initiative, of which HP's Director of Human Rights and Supply Chain Responsibility is the chair for the steering committee, conducted three trainings in Malaysia that enabled labor agents used within our members' supply chains to learn more about customer expectations related to ethical recruitment. We seize opportunities to cooperate across the broader business community, for instance becoming one of the founding members of the Leadership Group for Responsible Recruiting, which is focusing on eradicating worker-paid fees.

In closing, 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 that HP was founded on and strives to live up to each day: to make a difference in the world.

Signed on the Board's behalf by:



Dion Weisler
President and Chief Executive Officer, HP Inc.