

HP Inc. (HP)

TICKER
HPQ

MARKET CAPITALIZATION
US\$40.7 billion

HEADQUARTERS
United States

DISCLOSURES

[UK Modern Slavery Act](#): Yes

[Australia Modern Slavery Act](#): Yes

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

OVERALL RANKING

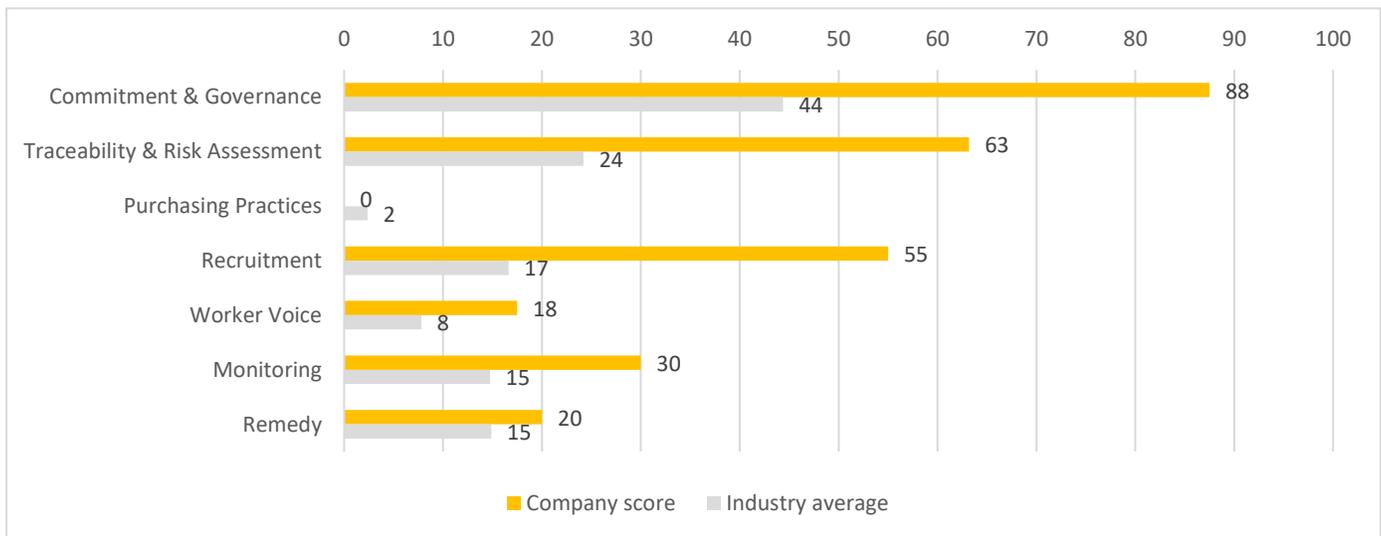
5 out of 60

([2020 Rank](#): 2 out of 49)

OVERALL SCORE

46 out of 100

THEME-LEVEL SCORES



KEY DATA POINTS

SUPPLIER LIST

Yes

RISK ASSESSMENT

Yes

ENGAGED WITH KNOWTHECHAIN¹

Yes

ALLEGATIONS OF FORCED LABOUR

🚩 Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes (Limited)

HIGH-RISK SOURCING COUNTRIES

🚩 China and Malaysia

SUMMARY

HP Inc. (HP) ranks joint 5th out of 60 companies. Since 2020, the company has improved on the themes of Commitment & Governance, Traceability & Risk Assessment, and Recruitment by updating its supplier code of conduct to remove limitations on the right to freedom of association and collective bargaining, disclosing additional data on its supply chain workforce, and information on how it ensures the prevention of recruitment fees charged to supply chain workers. However, the company did not improve disclosure or performance across other themes. The company performed particularly poorly on the theme of Purchasing Practices. As such, the company's rank dropped by 3 places since 2020.² KnowTheChain identified one allegation of forced labour in the company's supply chains.³ The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Worker Voice, and Remedy.

LEADING PRACTICES

Traceability and Supply Chain Transparency: HP discloses a supplier list that includes names, addresses, number of workers per supplier, and product type representing 95% of its procurement expenditures for materials, manufacturing, and assembly. In addition, the company discloses approximate percentages of women and migrant workers for 50% of its manufacturing spend.

Recruitment: HP discloses that it has launched a partnership with [Issara Institute](#) to help address issues related to forced labour and human trafficking and support the monitoring of recruitment processes in Myanmar. The company also discloses the use of a tool to track the average fee amounts paid by workers in common recruitment corridors.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: 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: 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. 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.

Remedy: While the company discloses some examples of remedy outcomes for workers, such as fee repayments to 250 workers, to demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose detail on additional examples of remedy provided to its suppliers' workers (e.g. supply chain locations where remedy has been provided, or at which supply chain tiers).

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](#).

² KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. See [here](#) for more information.

³ For more information on the allegations, and the disclosures the company made about its response to those allegations, see the full dataset [here](#).