

KnowTheChain 2022 ICT Benchmark

Additional Disclosure

Company Name: HP Inc

Date: September 7th, 2022

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

As indicated in HP's [Sustainable Impact Report 2021](#) (p.30), in 2021 we expanded the scope of our capability building program to include our customer support business, in addition to production suppliers, nonproduction suppliers, and our own manufacturing operations. Examples of the trainings and opportunities we provide, eight of which ran during the year, include (i) a foreign migrant worker training, and (ii) a forced labor webinar. Additionally, in 2021 we organized a Supply Chain Responsibility Workshop that reached out to lower tier suppliers in our value chain, whose purpose was to protect workers from forced labor risks under Covid-19. In this workshop, the suppliers of some of our key partners, such as HPE and Intel, were invited to participate.

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

The Nominating, Governance and Social Responsibility Committee (NGSRC) of HP's Board of Directors oversees HP's strategies, policies and goals related to human rights ([Sustainable Impact Report 2021](#), pp. 23-24). As indicated in the [Sustainable Impact Report 2021](#) (p. 24) HP's Human Rights Council further promotes the integration of HP's Human Rights Policy. Additionally, as mentioned in HP's [Sustainable Impact Report 2021 \(page 11\)](#), the performance and compensation of HP's Chief Sustainability Officer and our Chief Diversity Officer are related to the management of HP Sustainable Impact and the achievement of related targets and metrics, both public and internal. Several other HP VPs, directors, and managers have a component of total compensation (salary and bonus) based on responsibility for, and effective implementation of, corporate initiatives to address climate action, human rights, and digital equity.

HP's Supply Chain Responsibility team is responsible for implementing our commitment to respect human rights, including forced labor, in our supply chain. Furthermore, they are responsible for developing processes and tools to ensure that HP suppliers comply with HP's Supplier Code of Conduct, which includes freely chosen employment. The Supply Chain Responsibility Team is led by a senior corporate executive that reports to HP's Chief Sustainability Officer, who currently sits within HP Supply Chain Operations.

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

The HP Board of Directors' Nominating, Governance and Social Responsibility (NGSR) Committee oversees the company's policies and programs relating to human rights. As disclosed in our [2022 proxy statement](#) (page 13), several members of our board have experience in environmental and social responsibility-related issues and topics.

Additionally, as indicated in the [Sustainable Impact Report 2021](#) (page 11) and the [NGSR Charter](#) (page 2), the NGSR Committee convenes at least four times each year, with additional meetings as appropriate, and receives regular updates on the Sustainable Impact strategy, metrics, results, and key risks and opportunities. As mentioned in the [Sustainable Impact Report 2021](#) (page 6), Sustainable Impact Strategy includes human rights, and is focused on, among others, the empowerment of workers in the supply chain. Furthermore, the NGSR Committee was updated on and discussed several human rights topics in 2022 including, among others, (i) human rights in the supply chain, (ii) conflict minerals, and (iii) digital equity.

INDICATOR 4: RISK RESEARCH

4.1 details on how it conducts human rights supply chain risk or impact research that include forced labour risks or research that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

As indicated in HP's [Sustainable Impact Report 2021](#) (page 24), in late 2021 we engaged external human rights experts to assist us in governance research and a global human rights risk research. The process, which is ongoing, includes reviewing stakeholder concerns across our sector, engaging with potentially affected stakeholders and civil society organizations, and reviewing policies and procedures with reference both to proposed human rights laws and to how our voluntary commitments align to the UN Guiding Principles on Business and Human Rights and the UN Sustainable Development Goals. Separately, and as also mentioned in [the Sustainable Impact Report 2021](#) (page 30), HP takes a leading role through collaborations focused on elevating supply chain best practices and tackling shared challenges, including the Responsible Business Alliance, Leadership Group for Responsible Recruitment and Responsible Labor Initiative. Additionally, we have collaborated on forced labour topics with a range of NGOs, such as Verité and the Mekong Club, international organizations and industry groups. For instance, HP is a member of the Mekong Club and participates in joint initiatives to raise awareness, understanding and strategize on forced labor topics.

4.2 details on forced labour risks identified in different tiers of its supply chains; and

Please see HP's [Modern Slavery Transparency Statement 2021](#) (page 6): "*Risks of modern slavery can also occur deeper in our materials supply chain with entities that are more than four supplier actors removed from HP. In these instances, we align our practices with the relevant portions of international guidance, such as the Organisation for Economic Co-operation and Development's guidance on responsible minerals, and work with other companies to build leverage with intermediate actors deep in the supply chain.*"

Through this work, we are able to influence business relationships with entities operating in challenging contexts to mitigate the risks of modern slavery, such as those associated with mineral extraction."

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

As indicated in HP's [Sustainable Impact Report 2021](#) (page 31), in 2019 we launched a partnership with Issara Institute, an NGO that helps tackle issues related to human trafficking and forced labor, to support the monitoring of recruitment processes in Myanmar. As indicated on its website, Issara uses worker voice technology tools, and on-the-ground technical teams to further strengthen empowered worker voice and data for business intelligence and action. [<https://www.issarainstitute.org/the-issara-model>]. In 2021, we kept our focus on worker voice, using Issara's expertise to help understand and address worker concerns and improve factory worker-management communication as we continued to deal with borders being closed due to COVID-19.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

For our first-tier suppliers that represent approximately 50% of our manufacturing spend, we estimate that 45%-55% of all workers are women.

5.2 the percentage or number of supply chain workers who are migrant workers' and

For our first-tier suppliers that represent approximately 50% of our manufacturing spend, we estimate that 5%-15% are migrant workers.

INDICATOR 7: RECRUITMENT-RELATED FEES

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

The [HP Supply Chain Foreign Migrant Worker Standard](#) provides detail on the implementation of the Employer Pays Principle in our supply chain. Among others we indicate that, in the event that foreign migrant workers are employed, that (i) they shall be employed and managed directly by the supplier, (ii) suppliers shall conduct proper due diligence on recruitment agents and sub-agents, (iii) suppliers shall conduct regular audits of recruitment agents and (iv) suppliers shall not accept any compensation, benefit, reimbursement or other items of value from recruitment agents, sub-agents or other third parties involved in the recruitment process. Additionally, HP is informed by RBA's practices and tools on responsible recruitment, such as the [Responsible Recruitment Program](#), the [RBA Practical Guide to Due Diligence on Recruitment Fees](#) and the RBA Migration Corridor Database, which uses a third party to annually update average fees paid by workers in the most common recruitment corridors. Furthermore, and as mentioned in HP's [Sustainable Impact Report 2021](#) (page 31), in 2019 we launched a partnership with an NGO that helps tackle issues related to human trafficking and forced labor, to support the monitoring of recruitment processes in Myanmar. To support and advance supplier due diligence, we also

sponsor Responsible Recruitment 101, a virtual training for suppliers in Taiwan and Malaysia organized by the Responsible Labor Initiative. The two-session training provides suppliers with a comprehensive understanding of forced labor and modern slavery in relation to their own businesses, the Responsible Business Alliance (RBA) Code of Conduct, and applicable laws and regulations.

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

As mentioned in HP's [Sustainable Impact Report 2021](#) (page 31), in 2019 we launched a partnership with an NGO that helps tackle issues related to human trafficking and forced labor, to support the monitoring of recruitment processes in Myanmar. To support and advance supplier due diligence, we sponsor Responsible Recruitment 101, a virtual training for suppliers in Taiwan and Malaysia organized by the Responsible Labor Initiative. The two-session training provides suppliers with a comprehensive understanding of forced labor and modern slavery in relation to their own businesses, RBA Code of Conduct, and applicable laws and regulations.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

As indicated on HP's [website](#), HP encourages anyone with a concern to speak up and report anything that doesn't seem right. It [also indicates the different channels to report a concern](#), including an [online form](#), global in-country 24-hour toll-free phone lines with translation, text messaging (in the United States) and mail. These channels are open to everyone, including our suppliers' workers and their legitimate representatives. Additionally, we receive concerns through the [RBA public grievance form](#), where anyone can submit a concern. Furthermore, [we also partnered with the NGO Issara Institute](#), who engages with one of our major suppliers, the recruiters working with that supplier as well as workers. As mentioned on Issara Institute's website, they manage a safe space for workers voices to be heard and responded to in a timely, safe and responsible manner [<https://www.issarainstitute.org/the-issara-model>].

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

As mentioned in question 10.1., [we partnered with the NGO Issara Institute](#), who engages with one of our major suppliers, the recruiters working with that supplier as well as workers. As noted on its website, the Issara Institute manages a safe space for workers voices to be heard and responses to in a timely, safe and responsible manner [<https://www.issarainstitute.org/the-issara-model>].

INDICATOR 11: MONITORING

11.1 its reporting for monitoring the implementation of its supply chain policies addressing forced labour;

While HP regularly uses the RBA VAP reporting, it has previously also used the RBA SVAP reporting.

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

As indicated in the [Human Rights Progress Report 2019 \(pp 11-12\)](#), the process to address remedy for workers who paid fees involves many steps. After the supplier is notified of the finding in the audit report, we work with the supplier to agree on a Corrective Action Plan (CAP). Our program relies on our business relationship to incentivize suppliers to complete their CAP. In parallel, our local auditing teams help provide the support and feedback suppliers need to achieve resolution and to reimburse the workers. We also work to build suppliers' capabilities through partnerships with external organizations. Suppliers are then able to conduct their own due diligence and implement the appropriate remedy. This due diligence involves conducting worker interviews, reviewing documents, and researching migration costs as estimated by external organizations. Once they have confirmed payment to workers (usually via signed receipts or pay slips), HP schedules an onsite validation visit, which consists of document review and confidential worker interviews conducted by certified auditors. Finally, through our quarterly key performance indicator program, we take the additional step of internally monitoring these suppliers—from nonconformance identification through corrective action and beyond—to ensure timely resolution and sustained performance. We share this report with HP executives who manage the business relationship.