



HP Policy Position

Climate Action

Climate change is one of the most significant and urgent issues facing business and society today. The science is clear, the impacts are serious, and the need to act is essential.

At HP, we see the need to act not only as our responsibility, but vital to the longevity of our business. HP is working to ensure that our business is resilient, innovating to mitigate the effects of climate change, and adapting to an evolving global business and regulatory environment. We recognize that our customers and investors expect us to do our part to address climate change and sustainability.

HP supports the Paris Climate Agreement as originally adopted by consensus in December 2015, participation in the United Nations Framework Convention on Climate Change (UNFCCC), and other global efforts to address climate change. In June 2017, HP signed the [“We are Still In”](#) open letter to the international communities and parties to the Paris Agreement committing to remain actively engaged in global effort to hold warming to below 2 degrees Celsius. And in December 2019 HP signed onto [“United for the Paris Agreement”](#) an open letter urging the U.S. Government to Stay in the Paris Agreement. In May 2020, in light of the COVID-19 epidemic, HP signed onto [“Recover Better”](#) along with other Science-Based Target initiative (SBTi) member companies calling on governments and policy-makers to match corporate ambitions in their recovery efforts aligned with reaching net-zero emissions well before 2050.

HP’s policy recommendations

HP supports national governments’ commitments to the Paris Agreement and participation in the UNFCCC. We encourage actions by all countries to enact policies that mitigate climate change and help transition to a low-carbon economy, guided by technologically and economically feasible targets based on the best available science. We support market-based approaches that provide transparency and accountability, promote innovative technologies to lower carbon footprints (such as the Internet of Things and additive manufacturing), and encourage renewable energy sources.

Policy guiding principles

Government efforts to address climate change must be global, but differentiated, particularly for developing countries. Several key principles should guide climate action policies, supporting global transition to a low-carbon economy:

- Targets must be technologically and economically feasible and based on the best available science.
- Market-based mechanisms with clear, transparent, and consistent price signals offer the best hope for creating innovation and competition over the long term.
- Governments and businesses should implement greater transparency in tracking and reporting greenhouse gas (GHG) emissions to allow measurement of progress, make necessary course corrections, and promote broader accountability in the shared response to climate change.
- Information technology solutions should be part of industry and national infrastructures to achieve rapid economic development with a lower dependency on fossil fuels.

- Renewable energy sources should be encouraged as a critical part of the solution, with policies that promote choice in procurement and access to cost competitive options, flexible financing and contractual terms, simplified policies, and access to projects that reduce emissions beyond business as usual (as outlined in the corporate buyers' [regulatory principles](#)).
- Climate change mitigation must not be viewed in isolation from other highly important challenges, such as ensuring access to energy, expanding the availability of clean water, alleviating poverty, and achieving growth in the global economy.
- The challenge must be viewed with an integrated approach, from beginning of the production cycle through to users and end-of-use.

HP's approach

HP strives to reduce the climate impact of our supply chain, operations, and through our products and solutions and those of our customers. We lead the IT industry in publishing a complete carbon footprintⁱ and complete water footprint, which help us understand our business impacts on the climate. We continue to assess and report our carbon and water footprints on an annual basis. These assessments cover HP's entire value chain—from hundreds of production suppliers and thousands of nonproduction suppliers to our operations, product transportation providers, and millions of customers worldwide. The insights we gain through this process enable us to prioritize efforts to continually improve our performance and track our progress.

We have a long legacy of environmental leadership and a demonstrated commitment to climate action that is recognized by six consecutive years on the CDP Climate A List and eight consecutive years on the Dow Jones Sustainability World Index.

To guide our focus on continuing to advance climate action, we have committed to the following goals. See the [Sustainable Impact Report](#) for goal progress.

- Reduce the GHG emissions from HP's global operations by 60% by 2025, compared to 2015, validated by SBTi as consistent with levels required to keep global warming to 1.5°C.
- Use 100% renewable electricity in our global operations by 2035, with an interim goal of 60% by 2025 (signatory to [RE100](#)).
- Reduce the GHG emissions intensity of HP's product portfolio by 30% by 2025, compared to 2015ⁱⁱ.
- Achieve zero deforestation associated with HP brand paper and paper-based product packagingⁱⁱⁱ by 2020.
- Reduce first-tier production supplier-related and product transportation-related GHG emissions intensity by 10% by 2025, compared to 2015.^{iv}
- Help suppliers cut 2 million tonnes of carbon dioxide equivalent (CO₂e) emissions between 2010 and 2025.³
- Reduce potable water consumption in global operations by 15% by 2025, compared to 2015.

We believe IT can play a positive role in helping businesses, communities, and individuals address and mitigate climate change. IT is an enabler of new business models and processes that transform the way the world works.

Circular economy

HP is reinventing the way that products are designed, manufactured, used, and recovered as we shift our business model and operations toward a circular, low-carbon economy. Working with our supply chain partners, we are reducing the environmental impact of our products at every stage of the value chain.

HP is developing solutions designed to keep materials in use at their highest state of value for the longest possible time—while working to reduce the resources required to make and use these products and ensure the materials in these products are properly repurposed at end of life. We are reinventing how solutions are designed and delivered, including shifting from transactional product sales to service models, to provide real value to customers while reducing waste and costs, extending product lifespans, and increasing reuse and recycling. And we are transforming how whole industries design, make, and distribute products, helping people turn ideas into finished products in a more efficient, economical, and environmentally conscious way. These efforts support the growing customer demand for products and solutions that reduce environmental impacts without sacrificing quality and reliability.

Products, services, and solutions

HP's personal systems are designed to help reduce the environmental impact of computing for our customers. Our systems are increasingly more energy-efficient, easier to maintain and repair, and use fewer raw materials and more recycled content than prior generations of our systems. Through subscription-based services, we enable customers to upgrade to more energy-efficient hardware and software, reduce their environmental impact, and extend the life of our systems through refurbishment programs.

HP offers a full lineup of desktop and enterprise printing products that are designed to help our customers do more while using less energy and materials. We develop printer accessories and supplies that use fewer raw materials and incorporate larger amounts of recycled content, and manufacture paper products with recycled content and fiber sourced from responsibly managed forests. We believe the future of printing is in services like HP Instant Ink, Managed Print Services, and digital commercial printing, which are designed to reduce the overall environmental impact of printing.

Notable achievements

- Since 2010, on average HP reduced the energy consumption of our personal systems portfolio by 50% on average^v, despite the general increase in software power demands during that period.
- HP support many third-party eco-label certification standards that recognize environmentally-preferable products, including Blue Angel, China State Environmental Protection Administration, EPEAT[®], and Japan PC Green Label. Our personal systems portfolio includes more ENERGY STAR[®] certifications and EPEAT[®] Gold and Silver registrations than any other manufacturer.
- For three years in a row, HP received an ENERGY STAR[®] Partner of the Year Award for our commitment to improving the availability of energy-efficient products in the marketplace. In 2019, 94% of HP personal systems models shipped and 91% of HP printer models shipped were ENERGY STAR[®] certified.

Supply chain

Sustainability drives our efforts across our supply chain—ensuring we operate in an ethical, efficient, and resilient way. Throughout our supply chain, we implement industry-leading practices that help reduce our social and

environmental impacts globally while benefiting our business and customers. We motivate and empower suppliers and other stakeholders to improve social and environmental performance at supplier production facilities.

Notable goals and achievements

- Through the Energy Efficiency Program (EEP), a collaboration between HP and NGOs such as BSR, WWF China, and World Resources Institute, as well as other supplier programs, supplier sites have prevented a cumulative 1.26 million tonnes of CO₂e emissions, saved a cumulative 847 million kWh of electricity (\$109 million), including 54 million kWh(\$6.9 million) in 2019.
- HP uses the U.S. Environmental Protection Agency's SmartWay partners for 100% of our products shipped by truck in the U.S. and Canada. The U.S. Environmental Protection Agency program improves road transportation efficiency and reduces GHG emissions. In 2019, we won the SmartWay Excellence Award for the 8th time, demonstrating outstanding environmental performance and leadership in the large shipper category.
- HP joined the Smart Freight Centre-led Global Logistics Emissions Council (GLEC) to develop the Global Logistics Emissions Framework, which standardizes the global emission calculations for the transportation industry and incorporates fuel usage. The GLEC framework is accepted by the World Resources Institute GHG Protocol and by CDP as a method for CO₂ calculations.
- HP works with a number of organizations to reduce GHG emissions across our global supply chain, including Clean Cargo Working Group, Green Freight Asia, Responsible Business Alliance the United Nations Climate & Clean Air Coalition, and the U.S. Environmental Protection Agency's SmartWay.

Operations

We believe that our efforts to reduce energy use, lower GHG emissions, and reduce water within our operations are critical to our long-term business sustainability and enables us to meet our customers' expectations and needs.

Notable goals and achievements

- HP joined RE100, a global initiative led by the Climate Group of top businesses committed to using 100% renewable electricity to lead the transformation of global energy markets.
- HP purchases and consumes renewable electricity at 6 sites in 5 countries. Our company has solar panels on-site at 7 facilities in 5 countries. We also procure Renewable Energy Credits to offset 100% of our electricity consumption in our U.S. and Canadian operations.
- In 2019, we exceeded our goal to reduce potable water consumption in global operations by 15% by 2025, compared to 2015.

Science-based targets

HP has set ambitious climate goals across our value chain to drive progress. As a member of the WWF Climate Savers program, we worked with WWF specialists to develop a science-based target for Scope 1 and Scope 2 GHG emissions^{vi} and a supply chain GHG emissions intensity reduction goal for Scope 3 emissions. Fulfilling a commitment we made in April 2016, our GHG goals have been approved by the [SBTi](#), including classification of our Scope 1 and 2 target as consistent with levels required to keep global warming to 1.5°C.

Climate action leadership

The historic 2015 Paris Climate Conference (COP21) highlighted the leading role business can play to address climate change. In the lead-up to COP21, we signed on to the following public statements and initiatives supporting strong climate action and outcomes: White House-led American Business Act on Climate Pledge, Business Backs Low-Carbon USA, Center for Climate and Energy Solutions Business Statement Applauding The Paris Climate Agreement, and We Mean Business.

After the 2016 U.S. presidential election, HP was among more than 360 businesses and investors endorsing an open letter urging then President-elect Donald Trump to honor the U.S. commitment to the Paris Climate Agreement calling for the continuation of U.S. low-carbon policies, and investment in the low-carbon economy in the U.S. and abroad, to help keep global temperature rise below 2 degrees Celsius by the end of the century.

In June 2017, HP joined more than 20 Fortune 500 companies, with total annual revenue of \$1.4 trillion, in committing to remain actively engaged with the international community as part of the global effort to hold warming to below 2 degrees Celsius, and accelerate the transition to a clean energy economy by signing the ["We are Still In"](#) commitment, an open letter to the international community and parties to the Paris Agreement from U.S. state, local, and business leaders. In December 2019 at COP25, HP joined 75 other CEOs in an open letter urging the U.S. Government to Stay in the Paris Agreement. The statement was read by the head of the AFL-CIO, which represents 12.5 million American workers, at the beginning of the conference.

In May 2020, in light of the COVID-19 epidemic, HP joined 155 companies, representing a combined market capitalization of USD 2.4 trillion, to sign a statement urging governments to align their COVID-19 economic aid and recovery efforts with the latest climate science. The ["Recover Better"](#) statement, organized by SBTi and its campaign partners with Business Ambition for 1.5°, the UN Global Compact, and the We Mean Business coalition, calls on governments to build resilience against future shocks by aligning policies with the goal of limiting the global temperature increase to 1.5°C by achieving net zero emissions well before 2050. The companies pledge to continue to: demonstrate that the best decisions and actions are grounded in science; invest in recovery and resilience for a systemic socioeconomic transformation; and work with governments and scale up the movement.

Sustainability at HP

Sustainability serves as a guiding principle for how we do business at HP and fuels our innovation and growth. We engineer with integrity, ensuring all products and operations are based on the highest ethical standards. We are committed to full circle innovation that improves performance, reduces waste, and powers a circular and low-carbon economy. And we inspire impact, creating opportunities and enabling action to achieve a more just and inclusive society. To learn more about these efforts, visit the [HP Sustainable Impact website](#).

Forward-looking statements

This policy contains forward-looking statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of HP may differ materially from those expressed or implied by such forward-looking statements and assumptions.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to any projections of net revenue, margins, expenses, effective tax rates, net earnings, net earnings per share, cash flows, benefit plan funding, deferred taxes, share repurchases, foreign currency exchange rates or other financial items; any projections of the amount, timing or impact of cost savings or restructuring and other charges; any statements of the plans, strategies and objectives of management for future operations, including the execution of the restructuring plans and any resulting cost savings, net revenue or

profitability improvements; any statements concerning the expected development, performance, market share or competitive performance relating to products or services; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on HP and its financial performance; any statements regarding pending investigations, claims or disputes; any statements of expectation or belief, including with respect to the timing and expected benefits of acquisitions and other business combination and investment transactions; and any statements of assumptions underlying any of the foregoing.

Risks, uncertainties and assumptions include the need to address the many challenges facing HP's businesses; the competitive pressures faced by HP's businesses; risks associated with executing HP's strategy; the impact of macroeconomic and geopolitical trends and events; the need to manage third-party suppliers and the distribution of HP's products and the delivery of HP's services effectively; the protection of HP's intellectual property assets, including intellectual property licensed from third parties; risks associated with HP's international operations; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; the execution and performance of contracts by HP and its suppliers, customers, clients and partners; the hiring and retention of key employees; integration and other risks associated with business combination and investment transactions; the results of the restructuring plans, including estimates and assumptions related to the cost (including any possible disruption of HP's business) and the anticipated benefits of the restructuring plans; the resolution of pending investigations, claims and disputes; and other risks that are described in HP's Annual Report on Form 10-K for the fiscal year ended October 31, 2016, and HP's other filings with the Securities and Exchange Commission.

The information set forth in this policy, including any financial or tax-related items, reflects estimates based on information available at this time. While HP believes these estimates to be reasonable, these amounts could differ materially from reported amounts in HP's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2017 and HP's other filings with the Securities and Exchange Commission. HP assumes no obligation and does not intend to update these forward-looking statements. HP's Investor Relations website at www.hp.com/investor/home contains a significant amount of information about HP, including financial and other information for investors. HP encourages investors to visit its website from time to time, as information is updated and new information is posted.

Endnotes

ⁱ During 2012 Hewlett-Packard Company completed a comprehensive carbon footprint analysis to better understand the impact of our company and our products. HP is among the first companies globally to publish this level of information. The following year, HP published its comprehensive water footprint across our entire value chain for the first time. For more information on how HP Inc. calculates its carbon and water footprint reporting from the 2016 fiscal year, see the [HP carbon accounting manual](#) and [HP water accounting manual](#).

ⁱⁱ HP product use GHG emissions intensity measures per unit GHG emissions during anticipated product lifetime use. These values are then weighted by contribution of personal systems and printing products to overall revenue. These emissions represent more than 99% of HP product units shipped each year

ⁱⁱⁱ Packaging is the box that comes with the product and all paper (including packaging and materials) inside the box.

^{iv} HP uses the terms "production suppliers," "product transportation suppliers," and "nonproduction suppliers" throughout this report. "Production suppliers" provide materials and components for our product manufacturing and also assemble HP products, and are the primary focus of our SER audits, assessments, KPI program, SER Scorecard, and capability building initiatives. Learn more in [Supply chain responsibility](#). "Product transportation suppliers" provide services for the shipping and delivery of HP products. "Nonproduction suppliers" provide goods and services that do not go into the production of HP products (such as staffing, telecommunications, and travel). These suppliers are a significant focus of our supplier diversity efforts.

^v The average energy consumption of HP products was estimated annually between 2010 and 2019 using high-volume product lines representative of the overall shipped product volume. The high-volume personal systems product lines include notebook and desktop computers, tablets, all-in-ones, workstations, thin clients, and displays.

^{vi} For Scope 1 and 2 emissions reporting, HP utilizes The GHG Protocol Corporate Standard. Scope 1 is defined as direct GHG emissions occurring from sources that are owned or controlled by HP. Scope 2 Indirect GHG emissions result from the generation of electricity, heat or steam generated off site but purchased by HP. For Scope 3 emissions reporting, HP utilizes The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Scope 3 includes indirect GHG emissions from sources not owned or directly controlled by HP but related to our activities such as product use, vendor supply chains, delivery services, outsourced activities, and employee travel and commuting (other than travel in HP's transportation fleet). Scope 3 emissions are a consequence of the activities of HP, but occur from sources not owned or controlled by HP.

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