



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 time to act is now.

At HP, we believe climate action is not just our responsibility—it's vital to the longevity of our business. We're working to ensure our business is resilient by innovating to mitigate the effects of climate change and adapting to an evolving global business and regulatory environment. We recognize that our customers, investors and employees expect us to do our part to address the climate crisis and make our business more sustainable.

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 limit global warming to 1.5°C and reach net zero by 2050 or sooner.

HP's ambitious new climate action goals focus on halving our Scope 1, 2 and 3 emissions by 2030, compared to 2019, and achieving net zero across our entire value chain by 2040. Our strategy encompasses carbon emissions, circularity and forests, making it among the most comprehensive in the technology industry.

HP's policy recommendations

HP encourages all countries to enact policies that mitigate climate change and accelerate the transition to a net zero economy, with a 50% reduction in emissions by 2030. Specifically, HP is advocating for climate policies that:

- Ensure transparent and consistent price signals by removing fossil fuel subsidies and putting a price on carbon to achieve deep emissions reductions across the economy.
- Provide incentives and investments for clean technology innovation to rapidly accelerate the shift to renewable electricity, electric vehicles and a smart grid.
- Create a digital economy that enables a more efficient, resilient and clean energy-based future while creating jobs.
- Promote a just transition to a circular, net zero economy while addressing the disproportionate impacts of climate change on disadvantaged communities and workers.
- Support mandatory, externally validated disclosure of Scopes 1, 2 and 3 greenhouse gas (GHG) emissions and reduction targets in line with climate science.

Policy guiding principles

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

- Emissions reduction targets must be crafted—and updated—based on the best available climate science.

- Market-based mechanisms with clear, transparent and consistent price signals, including a price on carbon, offer the best hope for creating innovation and competition over the long term.
- Governments and businesses should implement greater transparency in tracking and reporting Scope 1, 2 and 3 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 and digitization of industrial and commercial activities with a lower dependency on fossil fuels.
- Renewable energy sources should be fostered 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' [principles](#)).
- Climate change mitigation and adaptation must be approached in tandem with related and 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, circular approach to product and service lifecycles, linking production, consumption and disposal to maximize the use of resources and minimize waste and emissions.

HP's approach

HP strives to reduce the climate impact of our supply chain, operations, products and solutions, as well as those of our customers. We led the IT industry in publishing a complete carbon footprint¹ and water footprint and continue to assess and report on our carbon and water footprints annually. These cover HP's entire value chain—from our supply chain to our operations, product transportation providers and millions of customers worldwide. The insights we gain enable us to prioritize efforts to continually improve our performance and track our progress.

Our products are designed to help reduce the environmental impact of printing and computing for our customers. Our products are increasingly more energy-efficient, easier to maintain and repair, and use fewer raw materials and more recycled content than prior generations. 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.

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

Key goals

To guide our focus on advancing climate action, we have committed to the following key goals. See our [2020 Sustainable Impact Report](#) for an exhaustive list of our goals and progress.

	2025	2030	2040
Carbon emissions	<p>Reduce Scope 1 and Scope 2 GHG emissions from global operations by 60% by 2025, compared to 2015.</p> <p>Use 100% renewable electricity in our operationsⁱⁱ</p> <p>Reduce HP product use GHG emissions intensity by 30% by 2025, compared to 2015.ⁱⁱⁱ</p> <p>Reduce first-tier production supplier and product transportation-related GHG emissions intensity by 10% by 2025, compared to 2015.^{iv}</p> <p>Reach carbon neutrality in HP operations</p>	Reduce HP absolute value chain GHG emissions 50% ^v	Achieve net zero GHG emissions across our entire value chain
Circularity	<p>Use 30% postconsumer recycled content plastic across HP’s personal systems and print product portfolio by 2025.</p> <p>Achieve zero waste in HP operations^{vi}</p>	Reach 75% circularity for products and packaging ^{vii}	
Forests	Maintain zero deforestation for HP paper and paper-based packaging ^{viii} (Ongoing)	Counteract deforestation for non-HP paper used in our products and print services ^{ix}	

HP’s strategy

At HP, climate action spans three key areas—carbon emissions, circularity and forests—making our strategy one of the most comprehensive in the technology industry. This three-pronged approach focuses on reducing carbon emissions—a main driver of climate change—increasing circularity, which reduces emissions from resource consumption, and investing in forests to sequester carbon and create more resilient ecosystems.

Carbon emissions

HP has set ambitious goals to halve Scope 1, 2 and 3 emissions by 2030, compared to 2019, and reach net zero across our value chain by 2040. Our strategy emphasizes avoiding and reducing emissions first before balancing what we can't address with carbon offsets. It also begins with taking care of our own house by achieving carbon neutral operations by 2025.

While net zero applies to our entire value chain—encompassing our operations, supply chain and customer use of our products and services—we see carbon neutral is an interim-state on our journey to net zero and is specific to our operations, a segment of our business, or a product or service. HP Supplies will be one of the first parts of our business to achieve carbon neutral by 2030.

As a member of the WWF Climate Business Network, we worked with WWF specialists to develop a science-based target for Scope 1 and 2 emissions^x and a supply chain emissions intensity reduction goal for Scope 3. Fulfilling a commitment we made in April 2016, our emissions reduction goals have been approved by the [Science-based Targets initiative \(SBTi\)](#), including classification of our Scope 1 and 2 target as consistent with levels required to keep global warming to 1.5°C. In April 2021, HP also committed to work with the [Science Based Targets Network](#) on developing a science-based target for nature.

Notable achievements

- HP achieved a 56% decrease in Scope 1 and Scope 2 CO₂e emissions from our operations compared to 2015 and reached 51% renewable electricity use in our operations.
- 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. In 2020, HP's global operations procured and generated 243,661 MWh of renewable electricity globally, equivalent to 51% of our global electricity consumption (compared to 43% in 2019).
- HP set a GHG emissions reduction goal to help suppliers cut 2 million tonnes of CO₂e emissions between 2010 and 2025—and has already helped suppliers avoid 1.38 million tonnes since 2010. HP is also working to reduce first-tier production supplier-related and product transportation-related GHG emissions intensity by 10% by 2025, compared to 2015.^{xi}
- HP is working with the Smart Freight Centre to develop the Global Logistics Emissions Framework, which standardizes the global emission calculations for the transportation industry and is accepted by the World Resources Institute GHG Protocol and by CDP as a method for CO₂ calculations.
- HP has won the U.S. Environmental Protection Agency's SmartWay Excellence award for eight years in a row since 2014 and ten years overall for our freight and supply chain efficiency.
- We achieved our goal of reducing HP product use GHG emissions intensity by 30% compared to 2015, with a 33% reduction as of FY21, and will continue working to maintain this achievement in the coming years.
- HP has received an ENERGY STAR® Partner of the Year Award every year since 2018—including with "Sustained Excellence" for the last two years—for our commitment to improving the availability of energy-efficient products in the marketplace. Our personal systems portfolio includes more ENERGY STAR® certifications and EPEAT® Gold and Silver registrations than any other manufacturer.

Circularity

HP is reinventing the way products are designed, manufactured, used and recovered as we shift our business model and operations toward a net zero carbon, fully regenerative 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.

Lastly, 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.

Notable achievements:

- Through 2020, HP manufactured over 4.9 billion Original HP and Samsung cartridges using a cumulative 125,000 tonnes of recycled plastic, including from recycled HP cartridges. This has kept 916 million Original HP cartridges, an estimated 127 million apparel hangers, and 5 billion postconsumer plastic bottles out of landfills, instead upcycling these materials for continued use. HP's goal is to recycle 1.2 million tonnes of hardware and supplies between 2016 and 2025.
- HP has reached 41% product and packaging circularity by weight, placing us more than halfway to our goal of achieving 75% circularity by 2030 through the use of recycled, reused, and renewable content.
- During 2020, HP used 27,560 tonnes of postconsumer recycled content plastic in HP personal systems and print products—or 11% of the total plastic used toward our goal to use 30% postconsumer recycled content plastic across HP's personal systems and print product portfolio.^{xii}
- Through 2020, HP achieved a 19% reduction in single use plastic packaging, toward its goal to eliminate 75% compared to 2018.^{xiii}
- HP has used 2.4 million pounds of ocean-bound plastic in our products since 2016. That's more than 85 million bottles.
- HP is the first company to achieve validation from UL to the UL 2809 Environmental Claim Validation Procedure (ECVP) for Recycled Content Standard for five of our resins, containing 5 to 99% recycled content from ocean-bound plastic.

Forests

Forests have the power to mitigate the climate crisis, while deforestation accelerates it. Beyond exacerbating climate change, deforestation poses a threat to biodiversity, water security and the livelihood and wellbeing of local and indigenous communities.

As part of our climate action strategy, we're counteracting deforestation for non-HP paper used in our products and print services^{xiv} while maintaining zero deforestation for HP paper and paper-based packaging.^{xv} Our goal is to make

printing directly responsible for the increase of certified and recycled fiber, and in doing so preserve forests as a nature-based solution to climate change.

Our initiatives to restore, protect and responsibly manage forests are built on the best science available today and consider the entire forest ecosystem, including the communities that depend on them. This includes furthering initiatives to develop science-based targets, collaborating with the paper industry and creating print technologies for efficient paper consumption.

Notable achievements

- In October 2021 HP [announced](#) an \$80 million partnership expansion with WWF to address 17 million metric tons of paper used in both consumer and commercial HP printers over 10 years. That is equivalent to sustainably managing, restoring and protecting nearly one million acres—an area approximately five times the size of New York City.
- HP has achieved zero deforestation for 99% of HP brand paper and paper-based product packaging, with the remaining 1% assessed to ensure reported fiber usage meets HP's Sustainable Paper and Wood Policy.
- HP established the Sustainable Forests Collaborative in 2019 and has committed to restoring and protecting 200,000 acres of forest, an area equal to the size of New York City. HP is targeting key ecosystems such as Brazil's Atlantic Forest and going beyond conservation by supporting WWF in developing science-based targets for forests.
- HP joined the World Economic Forum's 1 Trillion Trees (1t.org) initiative and reported one million trees planted through the Arbor Day Foundation—including planting a tree for each HP employee.
- HP has been rated on CDP's Forests list every year since 2016 and earned an "A" rating for three of those years—including 2020 and 2021.

Climate action leadership

2015: The historic 2015 Paris Climate Conference (COP21) highlighted the leading role business can play in addressing climate change. In the lead-up to COP21, HP 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.

2016: 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 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°C by the end of the century.

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°C, 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.

2019: HP joined 75 CEOs at COP25 in signing onto ["United for the Paris Agreement"](#), 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.

2020: In light of the COVID-19 pandemic, HP joined 155 companies representing a combined market capitalization of \$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, called 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.

2021: HP [unveiled](#) its 2030 climate action agenda and [launched](#) the [Sustainable Bond Framework](#) to help finance HP projects that contribute to a more sustainable and just future. Following the U.S. return to the Paris Agreement, HP joined the [“America Is All In”](#) coalition to demonstrate support for ambitious new U.S. climate targets and [called on](#) the Biden administration to halve U.S. GHG emissions by 2030. HP also demonstrated public support for SEC consideration of a [new climate disclosure](#) and [urged Congress](#) to pass robust climate investments and policies that put the U.S. on track to reach net zero carbon emissions by 2050. Ahead of COP26, HP signed an [open letter](#) by the World Economic Forum’s Alliance of CEO Climate Leaders to support decisive action by world leaders, including putting a price on carbon and eliminating fossil fuel subsidies.

Sustainable Impact at HP

Sustainable Impact 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 net zero carbon, fully regenerative 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 Updated from our prior goal to use 60% renewable electricity in our operations by 2025 and achieve 100% by 2035.

ⁱⁱⁱ Product use GHG emissions intensity describes the performance of our portfolio, taking into account changes to product mix and business growth. 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 in the current year. These emissions represent more than 99% of HP product units shipped each year, including notebooks, tablets, desktops, mobile computing devices, workstations, displays, and digital signage; HP inkjet, LaserJet, DesignJet, Indigo, Scitex, and Jet Fusion 3D printers; and scanners.

^{iv} Intensity is calculated as the portion of first-tier production and product transportation suppliers' reported GHG emissions attributable to HP divided by HP's annual revenue. This method normalizes performance based on business productivity. Intensity is reported as a three-year rolling average to decrease the impact of variance year over year and highlight longer-term trends. Production supplier GHG emissions include Scope 1 and Scope 2.

^v Absolute reduction of Scope 1, 2, and 3 GHG emission compared to 2019. Excludes non-HP paper consumed during product use.

^{vi} Zero waste operations: eliminate non-hazardous waste to landfill in all HP direct operations by 2025. Includes all HP owned and managed sites worldwide. Zero waste is defined by the UL or TRUE certification standard.

^{vii} Percentage of HP's total annual product and packaging content, by weight, that will come from recycled and renewable materials and reused products and parts by 2030.

^{viii} HP brand paper and paper-based product packaging are derived from certified and recycled sources, with a preference for Forest Stewardship Council® (FSC®) certification. Packaging is the box that comes with the product and all paper (including packaging and materials) inside the box.

^{ix} Fiber by weight will be 1) certified to rigorous third-party standards, 2) recycled or 3) balanced by forest restoration, protection, and other initiatives through HP's Forest Positive Framework. Paper does not include fiber-based substrates for HP industrial presses not listed in HP Media Solutions Locator catalogues.

^x 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.

^{xi} 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.

^{xii} Recycled content plastic (RCP) as a percentage of total plastic used in all HP personal systems, printer hardware, and print cartridges shipped during the reporting year. Total volume excludes brand-licensed products and after-market hardware accessories. Total RCP includes postconsumer recycled plastic, closed-loop plastic, and ocean-bound plastics used in HP products. Personal systems plastic is defined by EPEAT® eco-label criteria. Subject to relevant restrictions on the use and distribution of materials destined for recycling and/or recycled feedstocks.

^{xiii} Calculated as the percentage of primary plastic packaging (by weight) reduced per unit shipped. Excludes secondary and tertiary packaging components. Includes HP personal systems and printer hardware packaging. Does not include packaging for the following: Graphics Solutions hardware other than PageWide XL and DesignJet printers; 3D printing hardware; print supplies; refurbished products; and accessories such as third-party options, drop-in box, and aftermarket options.

^{xiv} Fiber by weight will be 1) certified to rigorous third-party standards, 2) recycled or 3) balanced by forest restoration, protection, and other initiatives through HP’s Forest Positive Framework. Paper does not include fiber-based substrates for HP industrial presses not listed in HP Media Solutions Locator catalogues.

^{xv} HP brand paper and paper-based product packaging are derived from certified and recycled sources, with a preference for Forest Stewardship Council® (FSC®) certification. Packaging is the box that comes with the product and all paper (including packaging and materials) inside the box.

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