

# HP Indigo Sustainable Impact Highlights



2020 and 2021 updates



# Message from our SVP & General Manager Industrial Print

It's been 20 years since HP Inc. released its first sustainability report. Today, our world stands on the precipice of history – and we need to act on our responsibilities to the planet now.

HP Indigo's new sustainability impact overview explains how we're embedding sustainability and social impact into the business of digital print and graphic arts, at the start of a particularly critical decade.



Haim Levit

SVP & GM Industrial Print

In the late 18th Century, the first Industrial Revolution launched humanity into 200+ years of innovation, with each subsequent era of technological revolution more stunning than the previous one in its ability to progress inventions for mankind. Innovation in modern times has not slowed down, nor should it.

Our modern understanding of innovation, however, recognizes that innovation can only be considered progress if we are protecting our natural resources. Technology's contribution to society must go hand in hand with strengthening our planet and creating the framework for our communities to thrive.

Indigo was founded in 1977, the same year that UNESCO organized the world's first intergovernmental conference on environmental education attended by 66 member states. Since our beginnings, sustainability has been embedded in our DNA. We have driven sustainability for decades by considering our entire value chain to ensure that our best business practices are aligned with the need to reduce the overall environmental impact of printing.

Our goals are united with the greater HP family to achieve the objectives set out in the HP Sustainable Impact Report [↗](#) We at HP Indigo also drive toward a net -zero carbon, fully regenerative economy while engineering the industry's most sustainable portfolio of products and solutions. Throughout the entire process of product design, production, and delivery, we aim to lower our carbon footprint, reduce the amount of energy and waste, and recycle our materials from the start to the end of life of both our printed products and the machines that produce them.

We know that we must leave the planet in a better state than we found it, our societies less fractured, and our communities stronger and more vibrant. It is a fundamental belief that this is the right path for our future and the children who will inherit our legacy. We will continue to be ambitious in our business goals, and equally motivated and dedicated to making our world better for us having been a part of it.

Haim Levit  
SVP & GM Industrial Print

# About HP Indigo

HP Indigo is one of the world's leading digital printing solutions providers. Founded in 1977, we are driving digital printing growth with advanced technology that enables print service providers and brands to become market leaders.

Our high-tech presses are designed to meet today's evolving printing needs for sustainability, personalization, security, and immediacy. We create lasting value by integrating sustainable solutions into the entire value chain, from sourcing materials to the printed product – using digital acceleration to propel a more sustainable future.



4,500+ customers<sup>1</sup>



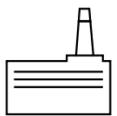
120+ countries<sup>2</sup>



2,084 employees in Israel (FY 2020)<sup>3</sup>



Headquarters at Science Park in Nes Ziona (41,000 sq.m)



Additional factories in Kiryat Gat (37,000 sq.m)

## Our Mission

Lead the digital transformation in the graphic arts industry.

## Our Vision

Drive digital print innovation, accelerate our customers' growth and create outstanding print experiences.

## Covid-19 Response

The COVID-19 crisis demonstrated the strength of HP Indigo's business continuity and ethical foundation. In line with the Ministry of Health guidelines, we canceled all non-essential work travel and implemented flexible work-from-home flows. From subsidizing ergonomic home offices to virtual educational programs, we have always acted to protect the health, safety, and wellbeing of our people. This extends to the wider community too; we designed and manufactured over 3,000 face shields a day for medical staff during the height of the pandemic and our volunteer programs thrived.

Meanwhile, we provided our customers with resources on how to build resiliency and used Dscoop to cultivate greater connections. Against the backdrop of a crisis, our customers were able to propel growth by leveraging PrintOS<sup>x</sup> services and web-to-print solutions to rise to increased e-commerce and remote demands.



1 - HP Indigo service systems - list of active customers

2 - HP Indigo service systems - list of active customers

3 - HP Indigo HR systems

# HP Indigo Highlights

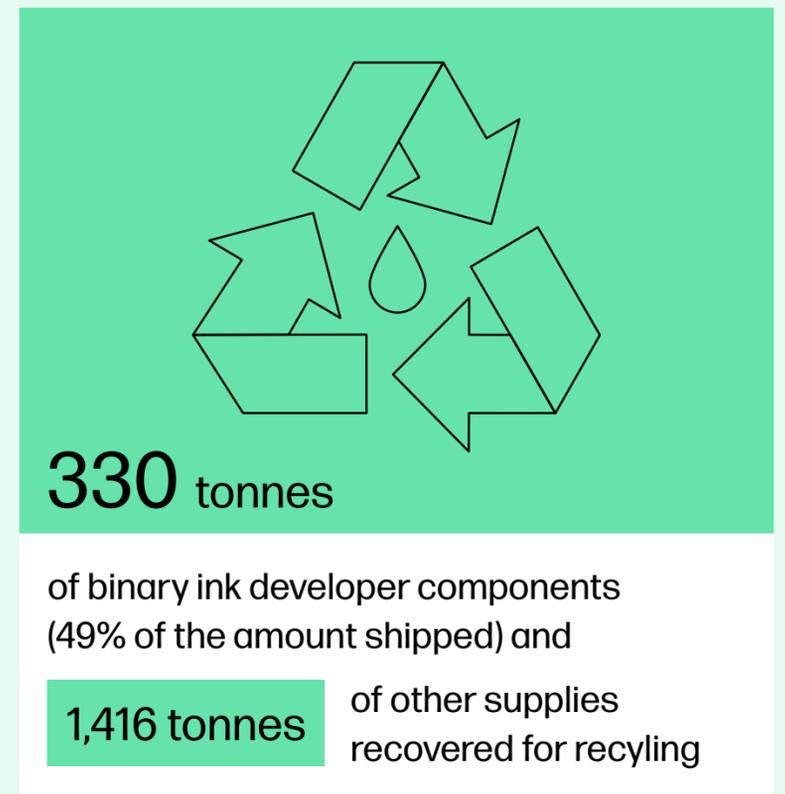
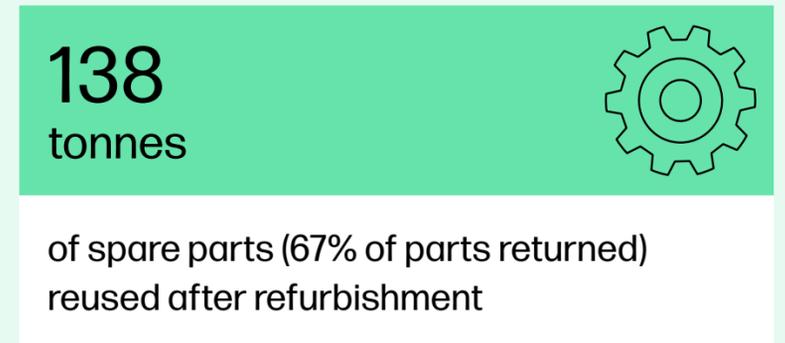
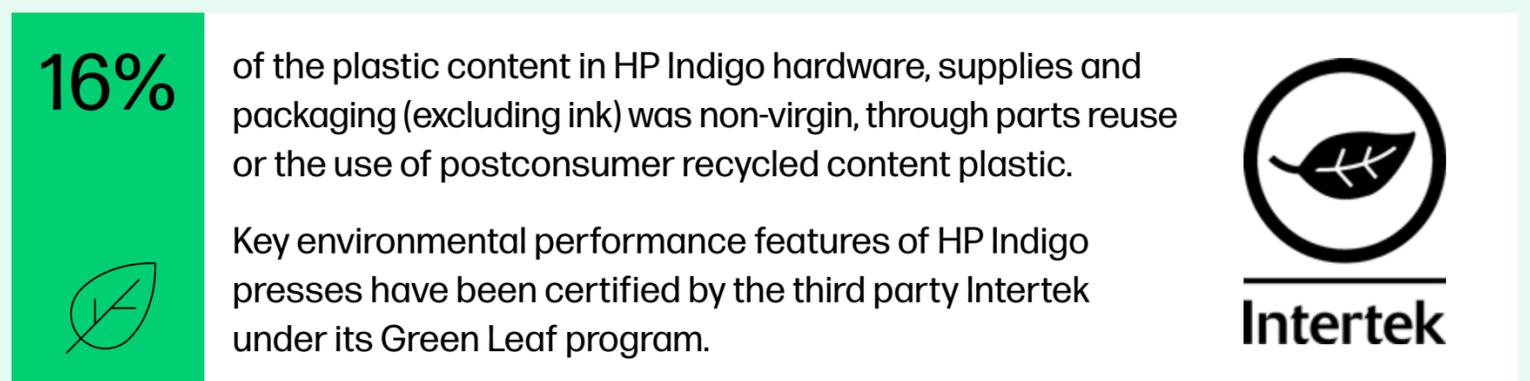
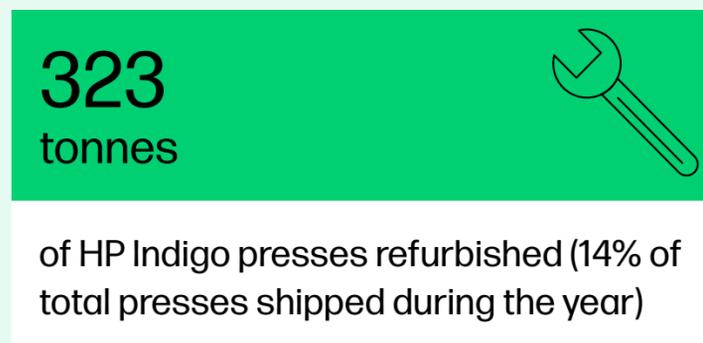
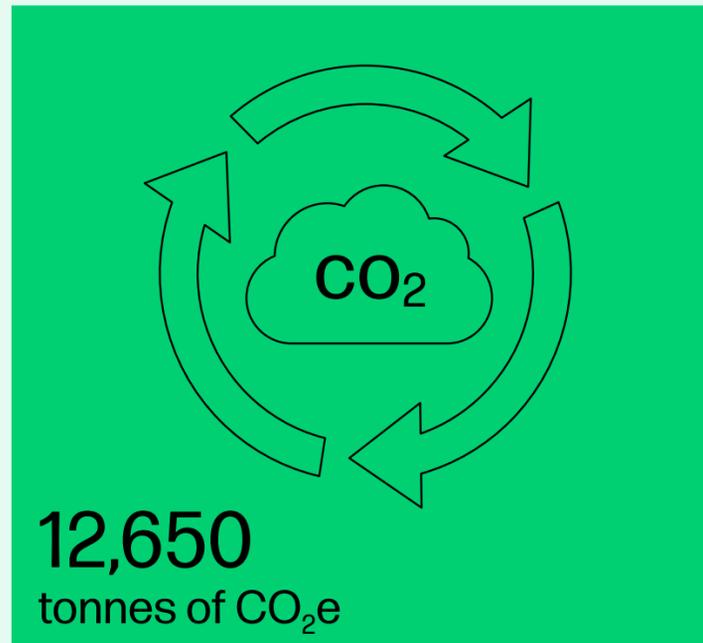
## Business Highlights

A world leader in the digital printing market, in both the commercial print and the label market.

Entered and is expanding in the flexible packaging/folding carton market.

Over 4,500 global customers, ranging from small customers who own a single printing press to large worldwide printing giants who collaborate with HP and own 100+ presses.

## In 2020...



Source: <https://h20195.www2.hp.com/v2/getpdf.aspx/c07539064.pdf>

# Sustainable Impact Strategy: Sustainable Development Goals

SDG 5:  
Gender  
equality



SDG 7:  
Affordable and  
clean energy



SDG 8:  
Decent work and  
economic growth



SDG 12:  
Responsible  
consumption  
and production



SDG 13:  
Climate  
action



## HP Inc.

HP works to recruit and develop female talent across all levels of the company and grow the pipeline for the future. We also use our scale to influence our suppliers and partners, encouraging them to prioritize diversity, equity, and inclusion within their own operations. In our communities, we work to empower and support gender equality and address barriers to full participation in society.

HP is investing in energy efficiency across our product portfolio and operations and shifting toward less GHG-intensive energy sources for our global facilities, including on- and offsite renewable power. By 2025, we aim to use 100% renewable electricity to power our global operations.

All workers deserve fair treatment, safe working conditions, and freely chosen employment. We forbid any forced, bonded, or indentured labor, involuntary prison labor, slavery, or trafficking of persons within our supply chain, and have adopted a broad approach to responsible minerals sourcing to help ensure there is no connection between the materials used in HP products and armed violence or human rights abuses.

HP aims to develop products and solutions that keep materials in use at their highest state of value for the longest possible time, grow the market for recycled content, invest in recycling infrastructure, and offer robust repair, reuse, and recycling programs. We are investing in disruptive technologies such as 3D printing that will help drive a more sustainable and inclusive Fourth Industrial Revolution.

We are reducing our impact by setting targets validated by the Science Based Targets initiative for our Scope 1, 2, and 3 GHG emissions. We work with our suppliers and partners and encourage them to set their own goals, and to use renewable energy, and we continue to support coordinated global action to combat climate change, including action in line with Paris Climate Accord commitments.

## HP Indigo

We are committed to closing the gender gap in the technology industry where women are typically underrepresented. We are focussed on:

- Recruiting more women
- Engaging the Women's Impact Network (WIN) to inspire and advance our employees
- Empowering our communities to address barriers to full participation in society

HP Indigo presses are designed to reduce energy use and promote energy efficiency among users, as compared to traditional printing methods. HP Indigo technology has high drying efficiency by its design, significantly reducing energy consumption for high ink coverage jobs<sup>1</sup>.

We have also installed solar panels in the production plant in Kiryat Gat that produce 920kWh.

We expect our partners and suppliers to meet the highest ethical standards. We regularly engage with our employees to gain a better understanding of how to meet their needs, and strive to provide optimal working conditions and opportunities for growth and development. We recommend adopting a hybrid work model that supports a healthy work-life balance and flexibility.

We are committed to promoting the circular economy and carbon reduction through initiatives such as:

- Design for recyclable labels and packaging applications, and deinking and compostability requirements
- Take-back program
- Waste reduction at source

All HP Indigo presses are manufactured carbon neutral. We have mapped, calculated and executed the necessary steps to offset the greenhouse gas emissions associated with the manufacturing of our presses from cradle (raw materials mining) to factory gate.

1 - Based on HP's Lifecycle Assessment for HP Indigo 20000/ 25K digital presses

# Strategic Approach to Sustainability

## Brand Adoption Journey

For HP Indigo, it's not enough to have a sustainable end-to-end value chain as a company. It is an imperative to maximize our sustainable impact by acting as a sustainability catalyst in the ecosystem around us by empowering brands to accelerate their sustainability goals, while driving positive social impact through personalized packaging and print solutions.

This is why we have developed brand innovation services that strategically educate companies on the adoption journey of our technology building from years of expertise on when and how to leverage digital printing, which in return will help those companies who print with HP Indigo, maximizing the ability of big and small brands to reach ESG goals faster and better.

Our brands strategic adoption journey is accelerating HP Indigo adoption as a sustainability catalyst



### Step 1

Create efficiencies via short run printing

Longer print runs

Permanent adoption of digital print



### Step 2

Expand to accelerate brand sustainability goals



### Step 3

Amplify sustainability and social impact messaging via consumers

### Step 1

#### Create efficiencies via short run printing

Both small and major FMCG companies already have developed leaner, more agile, just-in-time packaging supply chain solutions thanks to our HP Indigo technology's unrivaled speed to market and removal of minimum order quantities. This is helping brands to reduce the risk of leveraging a new technology by focusing on short runs and low volume SKUs. These short print jobs are better printed by HP Indigo due to reduced costs while eliminating the need to produce plates and cylinders anytime, and artwork changes due to regulations, market by market dynamics or legal reasons. When using older technologies, like flexography or rotogravure, the cylinders and plates that are created for every new print job have a negative impact in our ecosystem and can be completely eliminated from the brands supply chain.

### Step 2

#### Expand to accelerate brand sustainability goals

Once a brand has begun to integrate HP Indigo in their supply chain, they can start developing a just-in-time inventory management model through our services, which is printing only what you need when you need it. This is helping brands reduce up to 26% of pack waste while eliminating somewhere between 65% up to 80% of CO<sub>2</sub> emissions when printing. Which means the more they print with HP Indigo, the faster they can reach their ESG goals on reducing packaging or print waste and energy consumption.

### Step 3

#### Amplify sustainability and social impact messaging via consumers

Our ability to drive positive social impact is also very important to HP Indigo, which is why we have developed a deep understanding of the role of personalization in peoples' lives. And it is through this in-depth understanding of this megatrend that we have created a one-of-a kind communication framework (the HP Personalization Pinwheel) which enables brands to partner with us and co-create purpose-led campaigns which drive social impact through personalized storytelling at scale, targeting diversity, inclusion and gender equality initiatives such as the #HerShe campaign in Brazil.

In 2020 and 2021, we empowered Hershey's to celebrate for a second consecutive year on International Women's Day: #HerShe. A movement with the mission of 'Making Invisible Women Visible' to help womens' voices be heard by turning their iconic chocolate bar wrappers into a powerful showcase for female artists. HP, working with BETC Havas and Hershey's in Brazil co-created dozens of female influencers' stories celebrated on each wrapper, and used augmented reality to allow customers to scan the wrappers, discover each woman's story, and feel inspired to make their voices heard too. A total of 320,000 chocolate bars were printed and distributed in supermarkets, generating 1.3 billion impressions and achieving a +30% organic growth of the social network of each influencer during 2021. Additionally, this marketing campaign was developed by HP's Brands Innovation team services using HP's exclusive personalization framework and printed on an HP Indigo 25K press.

## Stakeholder engagement

We gain valuable insights from our interactions with stakeholders, while creating close ties between employees, customers, and management. These interactions help build our collective intelligence, prioritize critical issues, and provide insights on emerging opportunities.

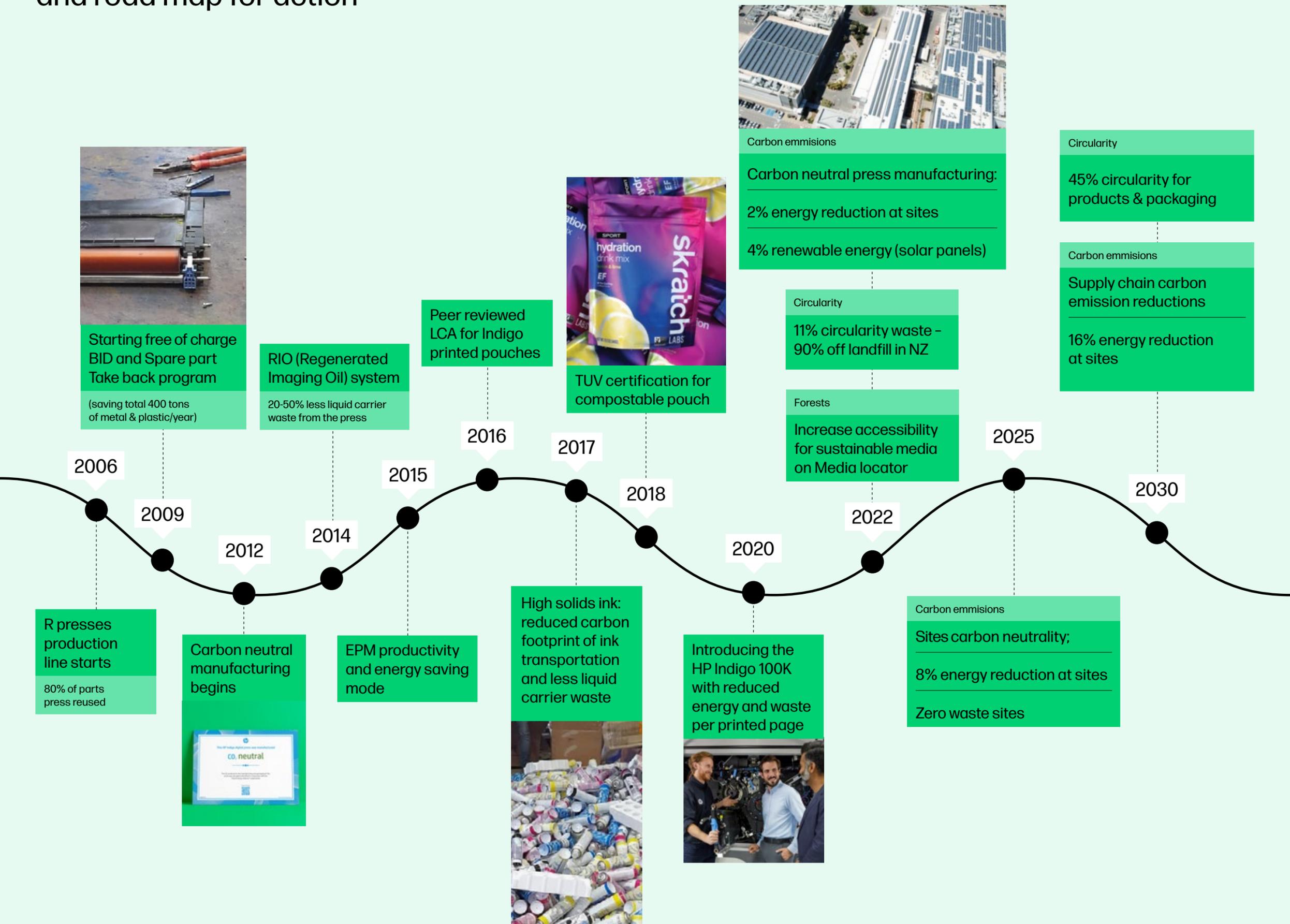
We foster excellence, nurture a culture of diversity, equity, and inclusion, and are highly committed to social impact in our local community.

## Dscoop

Dscoop is the world's largest and most collaborative digital print and design community. The platform's 10,000+ members receive the latest news and education from HP Indigo innovators and industry experts, with access to a space to collaborate, network, and grow. It allows HP Indigo to interact with users too.

# HP Indigo Sustainable Impact Road Map

Our journey to a Circular Economy and road map for action



\*baseline is FY 2019

# Integrating Sustainable Impact Throughout Our Value Chain

HP Indigo has a Circular business model where customers pay per print, which naturally integrates sustainability into each stage of the product lifecycle.

We know that successful transformation into a circular business requires a considerable shift in capabilities and mindset. That's why we're committed to working strategically with our partners, suppliers, print service providers and brands, towards a net-zero carbon and fully regenerative economy.

HP Indigo is a proud member of leading forums and alliances that are driving progress towards a circular economy:



## The Circular Economy Forum

Launched by the Israel American Chamber of Commerce, the Circular Economy Forum is driving the transition to a circular economy. The forum works with alliances from the Israel Ministry of Economy, Ministry of Environmental Protection, Circular Economy IL, and the Afeka Institute of Circular Engineering.



## The Circular Economy for Flexible Packaging

The Circular Economy for Flexible Packaging (CEFLEX) is a European consortium of companies collaborating to advance the performance of flexible packaging throughout the value chain in a circular economy.



## 4evergreen

4evergreen is a new cross-body alliance, sponsored by the Confederation of the European Paper Industry, designed to boost the contribution of fiber-based packaging in a more sustainable and circular economy.

## Designed with the environment in mind

At HP Indigo, we carefully consider each phase of the product lifecycle and its environmental impact in the development of our products. We're always looking for new ways to include sustainable materials in our model, from refurbishing and manufacturing used products to purchasing certified and responsibly-sourced third-party materials.

## About HP Indigo LEP Technology

- ✓ Our high solid ink tubes reduce the carbon footprint associated with production and logistics across the supply chain
- ✓ Faster drying efficiency
- ✓ Reduced energy consumption for high ink coverage jobs
- ✓ Widest ink portfolio, including scratch-off ink, silver, wfluorescents, premium white and invisible ink
- ✓ Designed for high solids, providing 50% more ink solids per container<sup>1</sup>
- ✓ Fewer ink replacements
- ✓ Reduced waste with fewer empty ink tubes

1 - Changed from 23% solids to 35% solids (R&D calculation)

# Integrating Sustainable Impact Throughout Our Value Chain

## Supply Chain Responsibility

We collaborate with suppliers to decrease greenhouse gas (GHG) emissions, water use, waste, and other environmental impacts. Our suppliers are important partners, and we work together to ensure they are performing at the highest quality standard while promoting responsible environmental practices.

We encourage suppliers to switch to safer choices, and in situations where the use of hazardous chemicals is unavoidable, we help suppliers identify preferable alternatives. Our suppliers are required to follow the manufacturing process chemical use restrictions outlined in [HP's General Specification for the Environment](#). [↗](#) Additionally, our Supplier Code of Conduct requires HP Inc.'s suppliers to monitor process chemicals, eliminate or manage hazardous substances, demonstrate that analyses of safer alternatives were conducted when a hazardous chemical is being used, and provide workers with essential PPE and training. We gather data from our suppliers about process chemicals and implement corrective action as needed.

## Conflict Minerals

HP Indigo promotes conflict-free minerals in our supply chain by<sup>1</sup>:

Encouraging all smelters that purchase and process mineral ores to undergo third-party sourcing audits.

Requiring our production suppliers of goods containing 3TG to require their smelters to undergo third-party sourcing audits.

Supporting multi-stakeholder collaboration to establish secure, conflict-free sources of 3TG ores from the DRC.

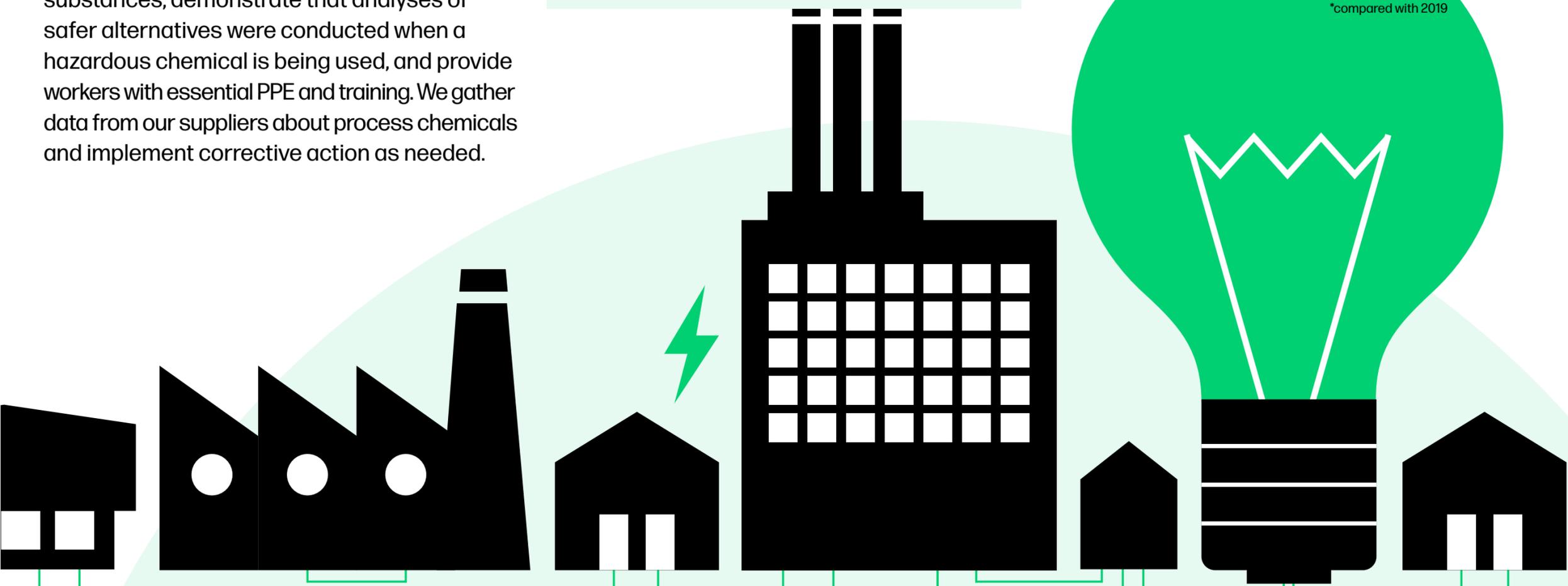
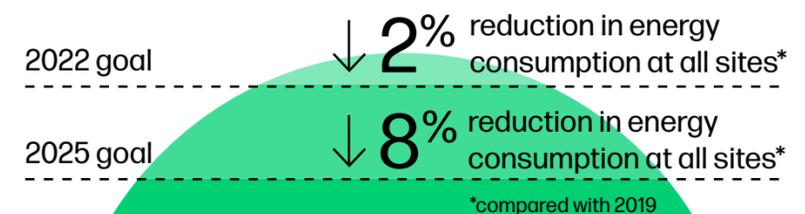
[For more information on our responsible sourcing policies, see the HP Inc. Sustainable Impact Report](#) [↗](#)

## Energy Management and GHG emissions

HP Indigo is constantly re-evaluating ways to promote energy savings, greener energy, and carbon offsetting.

We invest in renewable energy wherever possible and work to offset carbon emissions which we are not able to reduce or replace with greener alternatives.

HP Indigo was one of the first Israeli companies to implement a smart air control system that diminishes the hazards of urban air pollution in buildings and allows for better, healthier air indoors.



1 - <https://h20195.www2.hp.com/v2/getpdf.aspx/c07539064.pdf>

# Integrating Sustainable Impact Throughout Our Value Chain

## Monitoring our Carbon Footprint in Israel's Production Sites

	Footprint (tonnes CO <sub>2</sub> e)
Total GHG emissions	34,150
Carbon footprint from press production	12,650
GHG Scope 1 emissions	5,790
GHG Scope 2 emissions: Purchased electricity for operations	28,360

(Based on GHG voluntary reporting to the Israeli environmental protection office)

Energy intensity	33.4
Total energy consumption	242,600 GJ
Total electricity consumption	63,093,300 kWh

## Renewable energy

Renewable energy is an important pillar of our work in promoting carbon reduction. At our ink manufacturing plant, we installed 920 kWh of solar panels to help power our operations.



5% increase in Kiryat Gat solar panel efficiency 2019-2020 due to a change of converters<sup>1</sup>

## Carbon Neutral Presses

All our HP Indigo presses are manufactured carbon neutral. This means we are able to offset the greenhouse gas emissions (GHG) that we cannot reduce or replace with renewable alternatives.

We map, calculate and execute the necessary steps to offset emissions caused by the manufacturing of our presses from cradle (raw materials mining) to factory gate.



## Production plant goals for HP Indigo Kiryat Gat Site



- 1-2% decrease in electricity consumption in 2022
- Replace 250 fluorescent lightbulbs with LED  
Result: estimated 756,000 kWh saved annually
- Repair air compressor leaks and automate air compressors  
Result: estimated 224,000 kWh saved annually
- Results of combined initiatives: >2M kWh annual savings

1 - Internal measurements of R&D and operation

# Integrating Sustainable Impact Throughout Our Value Chain

## Waste Management

We monitor our success and that of our suppliers by mapping, separating and measuring out all waste streams.

HP Indigo's Sustainability Program and Sustainability Operations Program set the sustainability goals and projects to meet them. The work is done in alignment with all business units – procurement and sourcing, through R&D and operations to marketing and customers. The groups meet regularly to work on the projects, follow progress and share updates. The projects and goals set are translated from measurable accounts, such as, waste reduction, to sustainability measures, such as circularity. Through these efforts, in 2020, we recovered approximately 8,500 tonnes of electronic waste from our sites in Israel.

In total in 2020:

**3,156** tonnes of non-hazardous waste in Israel's sites 

**68%** of which was recycled 

## End-of-life management of printed products and solutions for brands

We are dedicated to helping our customers achieve circularity and close the loop at the end of the product lifecycle. Each press is compatible with recyclable and compostable media, and we also collect spare parts, selected supplies and hardware from print service providers to be reused or recycled<sup>1</sup>.

### HP Indigo Product Lifecycle<sup>2</sup>

#### Reuse Waste Product

Reuse carrier liquid over and over in production

#### Recycled Plastic & Metal

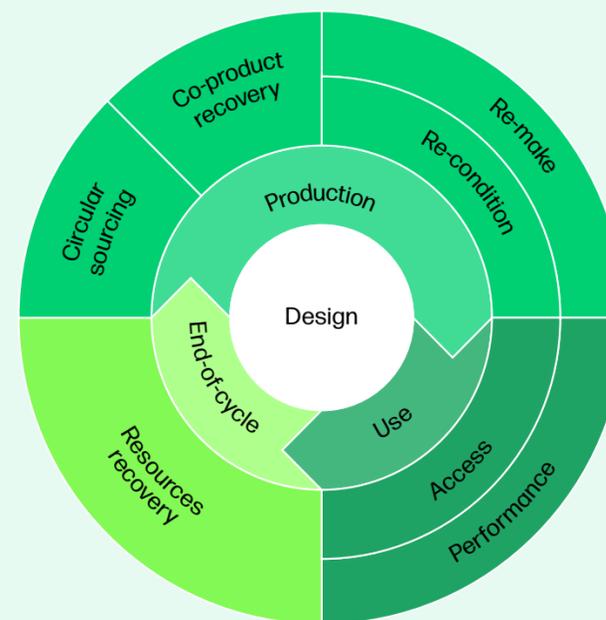
Ports designed to use recycled materials

#### End-of-Life Collection

Takeback operations for supplies, press and spare parts

#### Reuse Waste Product

Reuse carrier liquid that used to be waste a raw material in the use phase



#### Refurbish Streams

Supplies, Presses and Spare Parts

#### CO<sub>2</sub> Neutral Manufacturing

Cradle to gate Carbon accounting and offsetting

#### DfX + DfE Initiatives

Influencing design for sustainability and serviceability

#### Diagnostics and Troubleshooting

Easy access to on-press automatic and manual diagnostic support and remote support



1 - Recycled and compostable media can be found in the HP Indigo media locator

2 - <http://r2piproject.eu/circularguidelines/>

# Integrating Sustainable Impact Throughout Our Value Chain

## Supplies take-back program

As part of HP's commitment to the environment, HP Indigo's supplies take-back program aims to reduce the overall impact of HP Indigo print operations on the environment. Commercial users have various recycling options for used equipment, including HP recycling vendors that provide take-back and recycling services or free drop-off for our products in many countries. Waste materials are collected from the customer's site and recycled or taken back as part of parts reuse programs. Once these parts are collected, they are sent to repair centers and then sent back to stock.

In 2020, we reused and refurbished:  
**138 tonnes of spare parts material collected through this program.**

As part of our HP Indigo-specific take-back program, we collected:  
**330 tonnes of binary ink developer components (49% of the amount shipped) and 1,416 tonnes of other supplies recovered for recycling.**

## Recycling and recyclability of printed materials

As many consumer goods brands make public commitments to 100% recyclable and reusable packaging by 2025, they're turning to HP Indigo to fulfill their printing needs. We can support comprehensive recyclability requirements of labels and packaging applications from print to packaging processes - on the store shelf, end use, and after use.

### Deinking of plastic

This plastic recycling process removes printed ink from plastic surfaces, allowing materials to be reused. Our digitally printed flexible packaging, including coating, can be deinked under specific circumstances. They can be recycled into useful plastic-based materials and various packaging can be repurposed multiple times. HP Indigo's printing inks\* have also been certified by TUV Austria and DIN Certco for use on compostable labels and flexible packaging and fiber-based materials.

### Deinking of paper

HP presses are compatible with over 1,900 certified media with environmental credentials, and prints can be recycled into useful fiber-based materials.

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HP Indigo-printed flexible packaging is compatible with polyolefin recycling

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HP Indigo-printed Pressure Sensitive labels are fully compatible with the PET bottle recycling

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HP Indigo passes PS Label bleeding test

## Cybersecurity

Our cybersecurity and privacy practices are conducted according to the operations of HP Global. The company maintains high standards in these areas and continues to innovate across our portfolio. HP's risk-based ISMS is certified according to ISO 27001, providing assurance that HP meets the international standard for security of information systems.

## Certified Pre-Owned Presses

The Certified Pre-Owned (CPO) Presses program brings customers' businesses into the circular economy with a repurposed press within their region. Upgraded presses are tested at the end of the process to ensure their performance meets quality standards. If a press is not upgraded, the majority of the material is reclaimed for recycling.



# Our People

People are at the core of our strategy. Our employees' talent, diversity and energy drive business innovation and success. We are passionate about creating an inclusive culture and a positive local impact in the communities where we live, work, and do business.

We work hard to maintain a constant dialogue with employees and offer spaces for employees to share and gather information, get involved in decision making, and share their needs and concerns. We conduct employee satisfaction surveys every three months, and take our employee feedback to heart. Several initiatives have been implemented based on survey results.

## Diversity, Equity and Inclusion

Our innovation stems from our ability to amplify voices that are not always heard, by creating a space that encourages dialogue. We are committed to igniting the focus on more diverse talent, including (but not limited to) race, ethnicity, national origin, religion, gender, sexual orientation, gender identity and expression, disability, veteran/military status and age.

## Gender Diversity

Our HP Women's Impact Network (WIN) is dedicated to inspiring and helping to advance women all over the organization with special a focus in the technology sector. This supportive community of women meet regularly on a voluntary basis to plan activities that will empower and advance women in their careers.

27% of HP Indigo employees identify as female in 2021.



## Promoting Pride

HP Indigo is proud to stand for the rights of all LGBTQ+ individuals. We organize activities and internal awareness campaigns around Pride and throughout the year to promote equal rights and justice for all.



## Stakeholder engagement

We foster excellence, nurture a culture of diversity and inclusion, and are highly committed to social impact in our local community.

### Goals



- 1 Increase the number of employee volunteers to 40-50% by 2022
- 2 Every employee to have volunteered at least once in 2023

## Community Relations

Caring for our community is deeply embedded in the fabric of our company. We employ two full-team staff members who are dedicated to overseeing our volunteer initiatives. Our areas of focus include promoting excellence in education, assisting vulnerable populations and those with disabilities, and empowering women.

400,000

personalized masks produced for doctors and front-line workers during the pandemic

55

community partners in 2020

2,200

volunteer cases in 2020



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