SUSTAINABLE IMPACT REPORT
— 2018 —

ABOUT THIS DOCUMENT

This report includes HP's performance data through FY2018 (which ended October 31, 2018), unless stated otherwise. It also describes HP's Sustainable Impact policies, programs, and goals.

The information in this report is current as of the date of its initial publication. The report has not been updated to reflect any changes since that date, including any changes to HP's business or strategy. HP assumes no obligation and does not intend to update this report to reflect any such changes.

The performance data in this report covers 100% of HP's global business operations and/or revenue, as of HP's most recently completed fiscal year, unless stated otherwise.

All references to years are to HP's fiscal year, which ends October 31, 2018, unless stated otherwise.

All references to dollars are to U.S. dollars.

Part 1: EXECUTIVE SUMMARY
pages 5 to 45

This section provides a high-level overview of our Sustainable Impact strategy and progress, and vision for the future.

Part 2: DETAILED DISCLOSURES
pages 46 to 146

This section provides in-depth management and performance information across the broad range of environmental, social, and governance issues.

Additional information is available on our Sustainable Impact website.

HP Inc.'s vision is to create technology that makes life better for everyone, everywhere.

"Our customers, consumers and employees are passionate about the environment and social justice, and they expect companies like ours to lead with purpose."

80 years ago, Bill Hewlett and Dave Packard cleared out a small California garage to launch a business. With all the funding they could muster — a grand total of $538 dollars — they set out to create a different kind of company.

One that pushes the boundaries of human potential and progress. An engine of innovation that not only creates value for its customers and shareholders, but also for society.

This mindset was decades ahead of its time, and it has never been more important. Because, while we are seeing unprecedented technological innovation across industries, we're also confronting serious societal challenges — from climate change and other threats to our planet, to persistent inequality that prevents far too many people and communities from reaching their full potential.

Companies have critically important roles to play in solving these problems — not simply because it's the right thing to do, but because it's a business imperative. A growing number of our customers, consumers and employees are passionate about the environment and social justice, and they expect companies like ours to lead with purpose.

Across HP, our people and our partners are doing just that — and it's having a measurable impact on our results. In 2018, our Sustainable Impact programs drove more than $900 million of new revenue, a 35 percent increase versus prior year.

Yet while we are making significant progress, we are nowhere near the end of our journey. We are doubling down on our commitments and seeking new ways to turn the challenges of today into the opportunities of tomorrow.

This requires us to set our sights high. It's not enough to simply check a box and move on. It's about creating **technology that is truly in the service of humanity**. It's about always aspiring to produce something beyond products and profits.

At HP, we aspire to create **a world without waste**. From our supply chain, to our operations, to our technology and service offerings, we are transforming our entire business for a circular, low-carbon economy. We are reinventing how we design, deliver and recover our products to enable our customers to drive growth while shrinking their carbon footprint. And we are disrupting the global manufacturing sector with 3D printing technology that's making companies more competitive, productive and sustainable.

We also know that, to achieve this vision, we must be **powered by diversity and inclusion**. We are proud to have the most diverse Board of Directors of any U.S. technology company and be amongst the top technology companies for women in executive positions. Attracting the brightest talent and building a culture where people from all walks of life can contribute and flourish is a cornerstone of our success. This work is not confined to the walls of HP. We work hard to ensure our products are

manufactured with respect and care for the people who make them, and we have provided skills and well-being training to more than a quarter-million workers worldwide.

And, as we push forward on our journey, we'll be **investing to equip and empower communities** to thrive. We believe education is a fundamental human right. We have now enabled better learning outcomes for 21 million people around the world, well on our way to achieving our goal of 100 million by 2025. At the same time, our people are investing their time, talents and resources in their local communities. By 2025, HP employees will log 1.5 million volunteer hours.

Across HP, we are reinventing our company to meet the evolving needs of our business and the world we share. We will continue to adapt to changes and rise to challenges. And, together with our partners, we will lead **a sustainability revolution fueled by technology**. Afterall, that is what innovation is all about — finding solutions that benefit our business and society as a whole.

Best Regards,

Dion Weisler
President and Chief Executive Officer, HP Inc.

EXECUTIVE SUMMARY

Business Overview

Reinventing Impact

Business Overview

HP Inc. creates technology that makes life better for everyone everywhere—every person, every organization, and every community around the globe.

Through our portfolio of printers, PCs, mobile devices, solutions, and services, we engineer experiences that amaze.

Our Strategy

Our strategy is focused on leveraging our existing portfolio of products and services to meet the demands of a continually changing technological landscape and to offset certain areas of industry decline.

To successfully execute this strategy, we must emphasize the aspects of our core business where demand remains strong, identify and capitalize on natural areas of growth, and innovate and develop new products and services that will enable us to expand beyond our existing technology categories.

Driving long-term shareholder value

STRATEGY			WHAT TO EXPECT
	printing	**personal systems**	
LEADERSHIP IN CORE	• Revitalize consumer • Drive commercial	• Lead commercial • Grow premium	Predictable cash flow and return of capital
ACCELERATE IN GROWTH	• Disrupt copier market • Accelerate graphics	• Drive commercial transformation	Sustainable growth opportunities over time
CAPTURE THE FUTURE	• Lead 3D printing	• Create new immersive categories	Long-term value creation

Leading with Sustainable Impact

$58.5 BILLION
in net revenue.

$4.5 BILLION
of net cash provided by operations, $3.5 billion of which was returned to stockholders in the form of share repurchases and dividends.

26,000+
registered patents.[2]

250,000+
channel partners.

$1.4 BILLION
R&D spend.

See our **full financial performance.**

How We Deliver Value

Inputs in 2018

As we drive progress on our business strategy, we remain committed to leveraging our breadth and scale to create powerful change and sustainable impact.

Value created in 2018

HUMAN

Skills, expertise, competencies, and capabilities of HP's approximately 55,000 employees globally[3]

12,000 supplier factory workers engaged in skills-building and wellbeing programs

INTELLECTUAL

$1.4 billion invested in R&D

Market and customer insights

FINANCIAL

Total assets: $34.6 billion[4]

Long-term debt: $4.5 billion[5]

MANUFACTURED

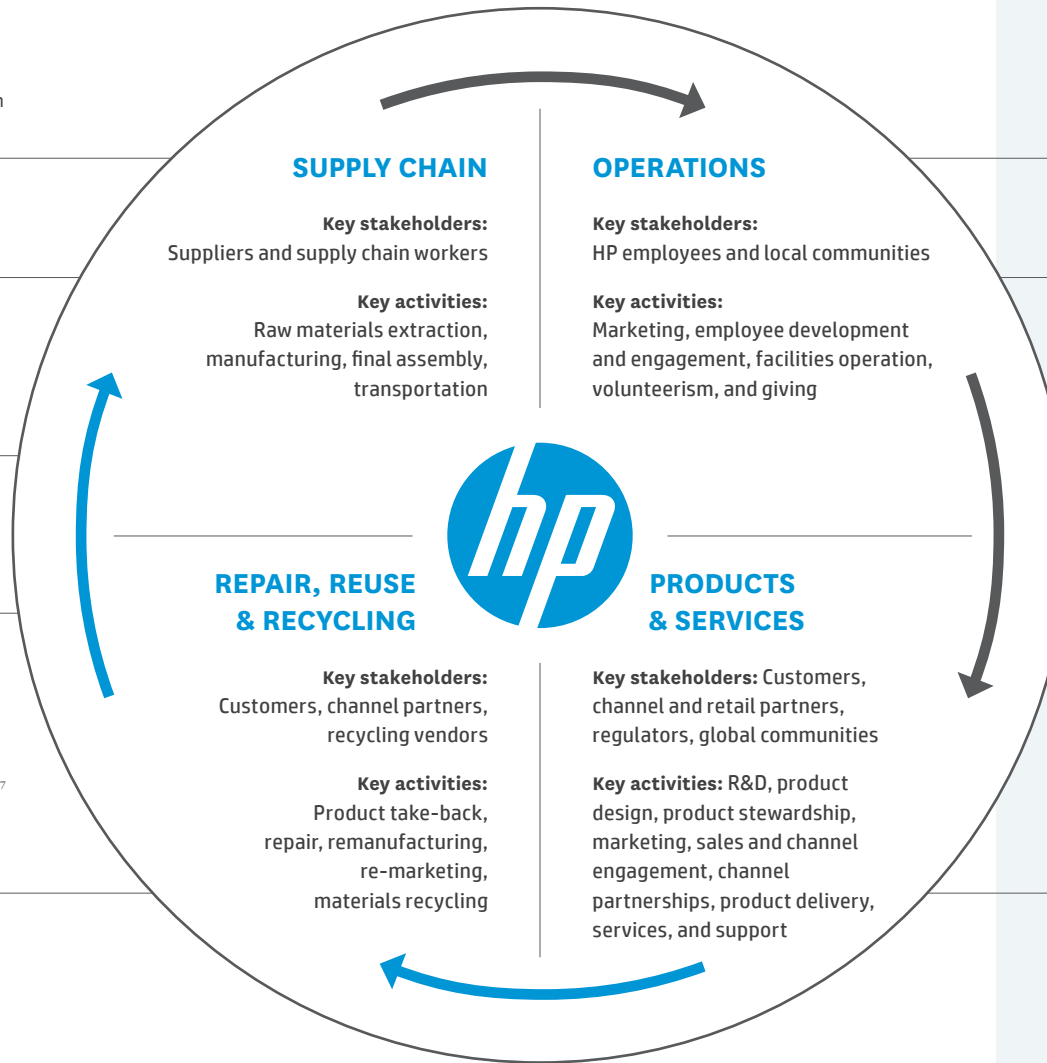HP manufacturing plants

100's of production suppliers

NATURAL

589,217 MWh of electricity used in global operations, including 47% renewable electricity use[6]

Approximately 1 million tonnes of materials in our products and packaging[7]

21,250 tonnes of recycled plastic used in HP products

SOCIAL AND RELATIONSHIP

Employee, supplier, and partner codes of conduct and engagement

$7.12 million in HP cash and product contributions[8]

140,000 employee volunteer hours

SUPPLY CHAIN

Key stakeholders:
Suppliers and supply chain workers

Key activities:
Raw materials extraction, manufacturing, final assembly, transportation

OPERATIONS

Key stakeholders:
HP employees and local communities

Key activities:
Marketing, employee development and engagement, facilities operation, volunteerism, and giving

REPAIR, REUSE & RECYCLING

Key stakeholders:
Customers, channel partners, recycling vendors

Key activities:
Product take-back, repair, remanufacturing, re-marketing, materials recycling

PRODUCTS & SERVICES

Key stakeholders: Customers, channel and retail partners, regulators, global communities

Key activities: R&D, product design, product stewardship, marketing, sales and channel engagement, channel partnerships, product delivery, services, and support

Value created in 2018

HUMAN

88% of employees feel HP values diversity[9]

1.66 million training hours, an average of 30 hours per employee

73% engagement rate among HP employees[10]

INTELLECTUAL

26,000+ patents[11]

FINANCIAL

Net revenue: $58.5 billion
Net earnings: $5.3 billion
Net cash provided by operations: $4.5 billion
Share re-purchases and dividends: $3.5 billion

MANUFACTURED

1 printer and 1.7 PCs shipped per second; 100 million products delivered each year[12]

ECO declarations covering 93% of revenue[13]

NATURAL

41% decrease in Scope 1 and 2 GHG emissions, since 2015

5% increase in materials use intensity for personal systems products compared to 2017, and 14% decrease versus 2016

12% reduction in materials use intensity for printers compared to 2017, and 16% decrease versus 2016

SOCIAL AND RELATIONSHIP

Customer, partner, and supplier retention and satisfaction

Better learning outcomes for more than 21 million students and adult learners through 2018

Improved resilience in communities where we live, work, and do business

HP is recognized as one of the world's most sustainable companies

RATINGS AND RANKINGS

BARRON'S
100 Most Sustainable U.S. companies

GLOBAL100

Gartner Supply Chain Top 25

CDP A LIST 2018 CLIMATE CHANGE

CDP SUPPLIER ENGAGEMENT LEADER 2019

MEMBER OF Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

CR 100 BEST CORPORATE CITIZENS 2019

LEADING INCLUSION INDEX COMPANY 2018
Diversity and Inclusion Index

2018 ecovadis CSR Rating
Listed for nine straight years

BUSINESS IMPACT

$900+ MILLION

in new revenue in 2018 where Sustainable Impact was a key differentiator.[14]

35%

Year-over-year increase in value of deal wins where Sustainable Impact was a key differentiator.[15]

EMPLOYEE ENGAGEMENT

89%

of employees agree that HP is socially and environmentally responsible.[16]

88%

of employees agree that HP values diversity.[17]

Global Megatrends Shaping our Future

At HP, we believe Megatrends will have a sustained, transformative impact on the world in the years ahead — on businesses, societies, economies, cultures, and our personal lives.

By studying these forces and their effects on business and society, HP is better able to develop and deliver solutions that meet and exceed changing customer needs, and also help to address some of the most pressing challenges and transformative opportunities on the horizon.

Read more at HPMegatrends.com.
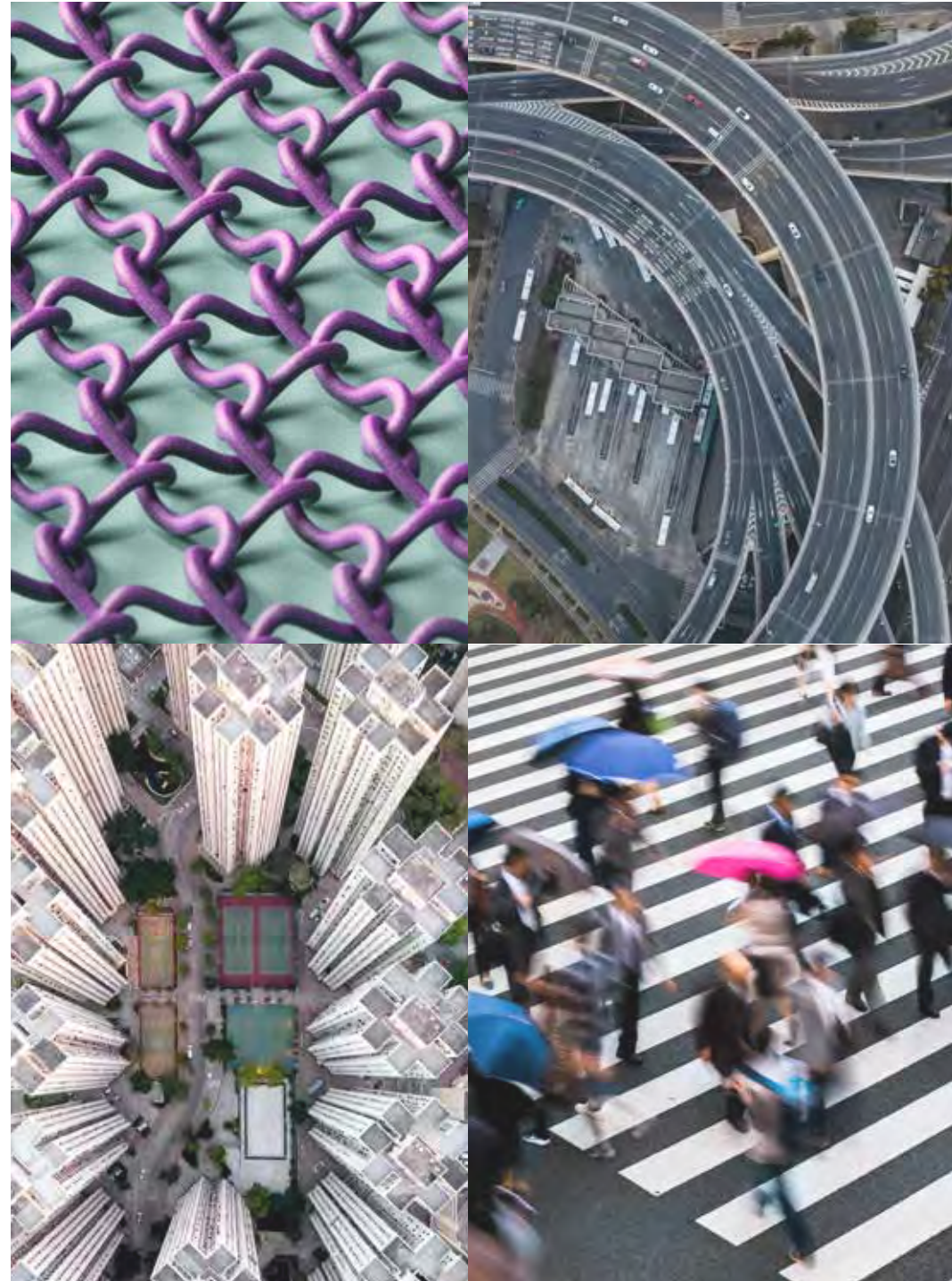
Global Megatrends

RAPID URBANIZATION

By 2030, there will be 8.5 billion people[18] on earth

By 2050, 68% of people will live in cities[19]

CHANGING DEMOGRAPHICS

By 2025, Millennials and Gen Z will make up 75% of the global workforce[20]

By 2050, twice as many people will be over age 65 as today, globally[21]

HYPER GLOBALIZATION

From 2017 to 2030, the number of connected IoT devices will increase by 12% per year on average, to 125 billion[22]

By 2025, nearly half of the world's big companies will be headquartered in today's emerging markets[23]

ACCELERATED INNOVATION

In 30 years, processing power per dollar will increase a billion-fold

By 2022, artificial intelligence and robotics will create almost 60 million more jobs than they replace[24]

EFFECTS

ECONOMIC IMPACT

Incomes are rising for most people around the world, but inequality has also been increasing

RISE OF ASIA

Asia is expected to drive two-thirds of global income growth by 2035[25]

JOBS & LABOR

Changing demographics and a shrinking working age population will drive a growing labor gap

AUTOMATION & EDUCATION

Greater automation will help to address the labor gap while changing the nature of work and requiring new skills and lifelong learning

ENERGY & SUSTAINABILITY

By 2050, we would need 2.3 Earths to sustain the resource demands of our global population[26]

Reinventing Impact

HP's Sustainable Impact Strategy

Create lasting, positive change for the planet, our people, and communities

Sustainable Impact is at the heart of our reinvention journey — fueling our innovation and growth, strengthening our business for the long term, and enabling us to develop and deliver the best solutions for our customers.

Planet

Transform our entire business to drive a more efficient, circular, and low-carbon economy.

Enable our customers to invent the future through our most sustainable portfolio of products and services.

People

Empower all people who help bring our products to market to thrive at work, at home, and in their communities.

Embed diversity and inclusion in everything we do.

Community

Unlock educational and economic opportunity through the power of technology.

Improve the vitality and resilience of our local communities.

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

4 QUALITY EDUCATION
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS
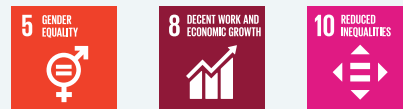
UN Sustainable Development Goals (UN SDGs)

HP is driving progress toward a more sustainable future. We set bold, long-term goals and focus our strategy where we can have the greatest impact.

We measure success by how our actions and solutions help create a more sustainable future for our planet, people, and the communities where we live, work, and do business.

Planet

PRODUCTS AND SERVICES

NEW GOAL

Use 30% post-consumer recycled content plastic across HP's personal systems and print product portfolio by 2025

PROGRESS

23% of goal achieved

NEW GOAL

Reduce HP product use GHG emissions intensity by 30% by 2025

PROGRESS

37% of goal achieved

Recycle 1.2 million tonnes of hardware and supplies by 2025

PROGRESS

33% of goal achieved

SUPPLY CHAIN

Achieve zero deforestation associated with HP brand paper and paper-based product packaging by 2020

PROGRESS

100% of goal achieved for HP brand paper

65% of goal achieved for paper-based packaging

Reduce supply chain GHG emissions intensity by 10% by 2025

PROGRESS

0% of goal achieved

Help suppliers cut 2 million tonnes of CO_2 equivalent emissions by 2025

PROGRESS

58% of goal achieved

OPERATIONS

NEW GOAL

Use 60% renewable electricity in global operations by 2025

PROGRESS

78% of goal achieved

NEW GOAL

Reduce Scope 1 and 2 GHG emissions by 60% by 2025

PROGRESS

68% of goal achieved

Reduce potable water consumption in global operations by 15% by 2025

PROGRESS

40% of goal achieved

People

Develop skills and improve wellbeing of 500,000 factory workers by 2025

PROGRESS

51% of goal achieved

Double factory participation in sustainability programs by 2025

PROGRESS

0% of goal achieved

Community

Enable better learning outcomes for 100 million people by 2025

PROGRESS

21% of goal achieved
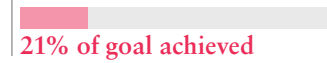
Contribute 1.5 million cumulative employee volunteer hours by 2025

PROGRESS

19% of goal achieved
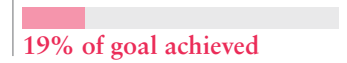
Enroll 1 million HP LIFE users by 2025

PROGRESS

17% of goal achieved
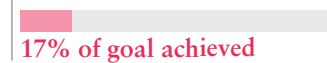
Contribute $100 million in HP Foundation and employee community giving by 2025

PROGRESS

23% of goal achieved

For additional details, see the following page.
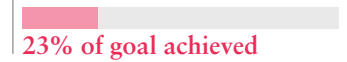
Planet

Goal	Progress in 2018	UN SDGs
PRODUCTS AND SERVICES		
NEW GOAL Use 30% post-consumer recycled content plastic across HP's personal systems and print product portfolio by 2025.[27]	Through the end of 2018, we achieved 7% post-consumer recycled content plastic use in HP personal systems and print products. Learn more.	12, 14
NEW GOAL Reduce HP product use GHG emissions intensity by 30% by 2025, compared to 2015.[28]	Through the end of 2018, we achieved an 11% decrease. Learn more.	7, 12, 13
Recycle 1.2 million tonnes of hardware and supplies by 2025, since the beginning of 2016.	Reached 395,200 tonnes recycled through the end of 2018. Learn more.	12
SUPPLY CHAIN		
Achieve zero deforestation associated with HP brand paper and paper-based product packaging by 2020.[29]	100% achieved for HP brand paper in 2016 and maintained that performance through 2018. Reached 65% for paper-based product packaging. Learn more.	13, 15
Reduce first-tier production supplier and product transportation related GHG emissions intensity by 10% by 2025, compared to 2015.[30]	Through December 2017 (the most recent year data is available), GHG emissions intensity increased by 6% compared to 2015. Learn more.	13
Help suppliers cut 2 million tonnes of carbon dioxide equivalent (CO_2e) emissions between 2010 and 2025.[31]	Through 2017, suppliers have avoided 1.16 million tonnes of CO_2e emissions. Learn more.	13
OPERATIONS		
NEW GOAL Use 60% renewable electricity in global operations by 2025.	HP's global operations procured and generated 275,944 MWh of renewable electricity and attributes, equivalent to 47% of our global electricity consumption. Learn more.	7, 13
NEW GOAL Use 100% renewable electricity in global operations by 2035.		
NEW GOAL Reduce Scope 1 and Scope 2 GHG emissions from global operations by 60% by 2025, compared to 2015.	HP's global operations produced 229,600 tonnes of Scope 1 and Scope 2 CO_2e emissions, 41% less than our 2015 baseline. Learn more.	13
Reduce potable water consumption in global operations by 15% by 2025, compared to 2015.	Potable water consumption equaled 2,997,000 cubic meters globally, 6% less than in 2015. Learn more.	12, 13, 15

People

Goal	Progress in 2018	UN SDGs
Develop skills and improve wellbeing of 500,000 factory workers by 2025, since the beginning of 2015.	255,400 supplier factory workers have participated in programs since the beginning of 2015.[32] Learn more.	8, 10
Double factory participation[33] in sustainability programs by 2025, compared to 2015.	Factory participation decreased by 3% compared to 2015, due in large part to changes in the composition of our supply chain in 2018. Learn more.	8, 10

Community

Goal	Progress in 2018	UN SDGs
Enable better learning outcomes for 100 million people by 2025, since the beginning of 2015.	More than 21 million students and adult learners have benefited from HP's education programs and solutions that advance quality learning and digital literacy, and enable better learning outcomes since the beginning of 2015. Learn more.	4, 5
Enroll 1 million HP LIFE users between 2016 and 2025.	166,000 users have enrolled in HP LIFE courses since 2016. Learn more.	4, 5, 8
NEW GOAL Contribute 1.5 million employee volunteering hours by 2025 (cumulative since the beginning of 2016).	HP employees have contributed 284,000 volunteer hours to local impact projects through 2018. Learn more.	11, 17
NEW GOAL Contribute $100 million in HP Foundation* and employee community giving[34] by 2025 (cumulative since the beginning of 2016).	Giving from the HP Foundation and employees reached $23.21 million through 2018. Learn more.	11, 17

*The HP Foundation is a nonprofit, 501(c)3 organization.

A World Without Waste

Against a backdrop of rapid population growth, an expanding middle class, and increasingly scarce natural resources, the traditional linear "take, make, dispose" production model is no longer viable.

We require a fundamental shift toward a more circular and low-carbon model. Companies that can grow without also increasing raw materials consumption will thrive in a resource-constrained future — and will be well placed to help customers do the same.

Our commitment to transforming our business model spans our value chain: from our sourcing practices and operational excellence to how we design, deliver, recover, repair, and reuse our products and solutions. This transformation will redefine how we function as a business and how our customers work and live, through technology and solutions that enable entire industries to eliminate waste and drive efficient, circular value chains.

1.7x

Global resource consumption in 2018 occurred 1.7 times faster than the planet's ecosystems can regenerate.[35]

HP promotes public policies, cross-industry initiatives, and sustainable product standards that support progress in this area. In 2018, we endorsed the European Strategy for Plastics and the French Circular Economy Roadmap.

HP builds durable products that are easier than ever to repair and upgrade, which extends their useful lives while reducing costs. Several HP products have received high scores from the iFixit product repair site. For example, the Elite x2 1013 G3, an EPEAT® Gold tablet, has an iFixit repairability rating of 9 out of 10. Our EliteBook 800 G5 Business Notebook series also received a 10 out of 10 iFixit repairability score.

At the 2018 World Economic Forum in Davos, we joined the Platform for Accelerating the Circular Economy (PACE) and in 2019 extended our commitment to continue transitioning our company and our customers to a circular "make, use, reuse" approach that seeks to close the loop for our products, including capital equipment such as our digital industrial printing presses.

As a member of the Ellen MacArthur Foundation's global commitment to address plastic waste at its source, HP is working toward an economy where plastic never becomes waste or pollution.

To achieve this objective, we must eliminate problematic and unnecessary plastic items from our products, innovate to ensure the plastics we use are reusable or recyclable, and circulate plastics away from the environment and back into the economy.

FOR EXAMPLE:

We use recycled ocean-bound plastic bottles to make Original HP ink cartridges, diverting over 25 million plastic bottles since 2016; see Closing the loop on plastics.

HP's groundbreaking closed-loop recycling program uses plastic from recycled Original HP cartridges (plus recycled bottles and hangers) to create new Original HP cartridges.

Customers can return used electronic products to any one of about 1,000 Best Buy stores in the United States (in addition to a wide range of other customer take-back programs). We use the recovered post-consumer recycled plastic resin to make new HP ENVY Photo 6200, 7100, and 7800 Printers; see Materials innovation.

HP works with Homeboy Electronics Recycling to recycle HP products and recover material, supporting employment and jobs training while enabling a more circular economy.

HP's Full Circle Approach

MATERIALS RECOVERY AND REUSE
Product recycling, print supplies closed-loop recycled plastic content, hardware recycled content (PCs, printers)

REUSE / REFURBISHMENT
HP Indigo Reconditioning Program, PC and printer reuse

PRODUCT-AS-A-SERVICE
HP Subscription Services, HP Device as a Service, HP Managed Print Services, HP Instant Ink

MAINTENANCE / UPGRADE MODEL
HP Indigo, HP PageWide Web Presses, modular design, freely available service manuals

CIRCULAR ECONOMY ENABLERS

HP commercial and industrial graphics printing solutions

HP 3D printing technology

Materials reduction/reuse and renewable energy initiatives in HP's supply chain and operations also support the circular economy

PARTS

PRODUCTS

SERVICES

USER

OUR PRIORITIES

Decoupling growth from consumption

- Dematerialization and increased recycled content
- Durability and repairability
- Product repair, reuse, and recycling

Transforming industry business models

- Shift from transactional to service-based models
- Digitizing supply chains to reduce waste and cost

Collaborating with partners and customers

- Building new circular supply chains
- Supporting customers

EXTENDING PRODUCT LIFE AND SUPPORTING INNOVATION WITH SERVICE-BASED SOLUTIONS

Service-based solutions — such as HP Device as a Service (DaaS), HP Managed Print Services, and HP Instant Ink — provide customers with access to the latest technologies, enabling them to scale as business needs evolve. In 2019, HP completed a preliminary life cycle assessment (LCA) comparing its DaaS offering for commercial PCs with traditional transactional sales offerings. Results showed a substantial reduction in environmental impacts across all categories assessed, due to the DaaS service model, which keeps PCs in use for multiple life cycles. We are working with an LCA consultancy to conduct a full, ISO-compliant, peer-reviewed LCA to more fully understand the magnitude of those benefits. We plan to publish study results in the coming year.

LOWERING THE ENVIRONMENTAL IMPACTS OF COMMERCIAL PRINTING

In 2018, HP saved more than 800 tonnes[36] of metal and plastics through the extended take-back of spare parts, supplies, and used commercial print presses.

During the last four years, we have more than doubled the weight of raw materials saved through the return of HP Indigo press binary ink developer (BID) components, and in 2018 used more than 50 tonnes of recycled content plastic in Indigo supplies. The click-charge cost-per-print business model includes consumables, which increases our incentive to deliver consumables in the most resource-efficient way possible. All Indigo presses collect and reuse imaging oil, and the Regenerated Imaging Oil (RIO) system in our best-selling presses further reduces waste oil by 20–50% on average.[37]

By the end of 2019, we aim to increase the reuse of spare parts in HP Indigo presses to 70%, and increase the BID return rate to 80%.

TRANSFORMING INDUSTRIES WITH 3D PRINTING

HP Multi Jet Fusion 3D printing technology has the potential to revolutionize manufacturing and other industries and transform supply chains by providing on-demand, more localized means of production.

This offers enormous potential for the circular economy in terms of expanding product life, reducing waste and greenhouse gas (GHG) emissions, and avoiding the impacts associated with transportation and inventory of raw materials and finished goods.

3D printing can also reduce the amount of materials, time, and cost needed to make finished parts by realizing complex shapes or redesigning complex assemblies into a single part.

2018 PROGRESS TOWARD A CIRCULAR ECONOMY

↓**14%**

reduction in personal systems materials use intensity since 2016.

↓**16%**

reduction in printers materials use intensity since 2016.

21,250 TONNES

of recycled plastic used in HP products.

4.34 MILLION

units of hardware repaired.

1.25 MILLION

units of hardware remarketed / reused.

133,800 TONNES

of hardware and supplies recycled.

Transforming for a Low-carbon Future

Climate change is one of the most significant and urgent issues facing business and society today. The science is clear, and the urgency to act is increasing.

At HP, we recognize that addressing climate change is not only our responsibility, but also vital to the long-term success of our business.

Our vision is to transform our entire business to help drive a more efficient, circular, and low-carbon future, and to support our customers and communities to achieve more, with less impact. HP's long legacy of environmental leadership and demonstrated commitment to climate action has been widely recognized.

For the 5th consecutive year

For the 3rd consecutive year

#5 as of Q1 2019

Engaging in policy advocacy and industry collaboration

We support market- and science-based policies and solutions that aim to mitigate climate change, provide transparency and accountability, promote innovative technologies to lower carbon footprints, and encourage the production and use of renewable energy.

As part of HP's continuing drive to combat climate change, in September 2018, at the Global Climate Action Summit in California, HP and 20 other technology companies signed the "Step Up" Declaration, indicating the industry's ongoing commitment to accelerate progress.

We also continued our support for the Paris Agreement as one of 17 companies to sign a C2ES-led joint business statement welcoming the work at COP24 to set forth the Paris "rulebook" to guide the implementation of the agreement.

In addition, we work to accelerate collective climate action through global programs, including:

CDP — *to engage and drive performance with our suppliers*

WWF Climate Savers — *to share, learn, and adopt best practices*

RE100 — *to advance the shift to 100% renewable power*

HP's carbon footprint increased by 9% in 2018, compared to the prior year. Growth in PC and printer sales increased emissions in the production and product use phases. These factors offset reductions from design innovation and product portfolio shifts.

Setting goals and tracking progress to reduce climate impact across our value chain

HP was the first global IT company to publish a full carbon footprint. The understanding we gain through this analysis helps us target opportunities for improvement and drive progress. We were also the first to set bold goals to reduce GHG emissions across our entire value chain, and one of the first 65 companies to have its GHG emissions reduction targets approved by the Science Based Targets initiative.

See more detail in Footprint.

53%
PRODUCTS AND SOLUTIONS

Reducing the energy needs of our products is key to reducing our impact and supporting our customers' sustainability goals. We are working toward our goal of decreasing product use GHG emissions intensity by 30% by 2025, compared to 2015. Transformations such as our shift to service-based models and the Fourth Industrial Revolution will also support the transition to a decarbonized future.

- Product use **23,300,000 tonnes**
- Product end of service **200,000 tonnes**

2018

Carbon footprint

44,699,600 tonnes CO_2e

46%
SUPPLY CHAIN

Emissions from our supply chain represent nearly half of our carbon footprint. In addition to driving progress on our own supply chain GHG emissions reduction goals, we engage with and incentivize our suppliers to improve tracking, secure assurance of their GHG emissions data, and set science-based GHG emissions reduction targets. Through product design, we continually work to reduce materials use, a key driver of emissions in this category.

- Materials extraction through manufacturing **18,600,000 tonnes**
- Capital goods **200,000 tonnes**
- Upstream energy production **100,000 tonnes**
- Transport **1,800,000 tonnes**
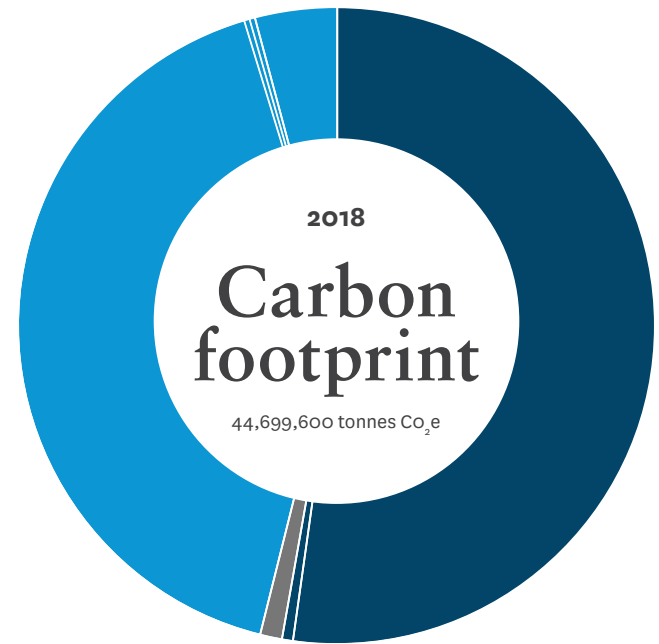
1%
OPERATIONS

We have the greatest control over emissions that result from our direct operations and model sustainable business practices in this area. We aim to reduce Scope 1 and Scope 2 GHG emissions from global operations by 60% by 2025, compared to 2015, and have reached a 41% reduction through 2018. We aim to use 100% renewable electricity in our global operations by 2035. As of 2018, we have achieved 100% renewable electricity in the United States, and 47% in our global operations.

- Facilities **197,400 tonnes**
- Transportation fleet **32,200 tonnes**
- Business travel **70,000 tonnes**
- Employee commuting **200,000 tonnes**

EXTENDING OUR LEADERSHIP TO HELP TACKLE PLASTIC POLLUTION

GOAL   Use 30% postconsumer recycled content plastic across HP's personal systems and print product portfolio by 2025.[38]

PROGRESS 7%

Through the end of 2018, we achieved 7% postconsumer recycled content plastic use in HP personal systems and print products.

HP is working to transform our business model to support a more efficient, circular, and low-carbon economy. One critical piece of this transition is building new, circular supply chains that close the loop on important materials. We are leading the industry on efforts to source and incorporate post-consumer plastic into our products — and keep it out of the ocean.

8 MILLION TONNES
of plastic leaks into the marine environment from land-based sources every year.[40]

BY 2050
there will be more plastic, by weight, than fish in the ocean.[41]

20,000
plastic bottles are produced every second.[39]

A legacy of leadership in closed-loop plastic

Through 2018, driven by our Planet Partners recycling program, HP has manufactured over 4.2 billion HP ink and toner cartridges using more than a cumulative 107,000 tonnes of recycled plastic. This has kept 830 million HP cartridges and an estimated 101 million apparel hangers and 4.37 billion post-consumer plastic bottles out of landfills; instead, upcycling these materials for continued use. More than 80% of our Original HP ink cartridges contain 45%–70% post-consumer recycled content, and 100% of Original HP toner cartridges[42] contain 5%–45% post-consumer or post-industrial recycled content.

In 2016, we expanded our closed-loop recycling program to include hardware. During 2017, we launched the HP ENVY 6200, 7100, and 7800 Photo Printers, the world's first in-class printers made from recycled printers and other electronics — more than 10% by weight.[43] In 2018, we increased the recycled content plastic in some HP ENVY photo printer models to 20%–30% by weight. We continue to expand the level of recycled content in our products and expand into new product lines.

INCREASING POST-CONSUMER RECYCLED CONTENT ACROSS OUR PORTFOLIO

HP ENVY photo printers contain between 20-30% recycled plastic by weight.

HP Tango is made with more than 30% closed-loop recycled plastic by weight using plastic from recycled printers and other electronics.

Recycled content plastic makes up more than 33% of the plastic used in the HP T1700, Z6, and Z9 DesignJet Printer series.

HP business PCs and displays include 24% recycled plastic content, on average.[44]

A Haitian woman's reinvention story, powered by HP and the First Mile Coalition

PARTNERING TO TACKLE OCEAN-BOUND PLASTICS

In 2016, HP launched an ambitious program in Haiti to help tackle the growing challenge of ocean-bound plastics. In partnership with the First Mile Coalition and our supplier partners, we have now built a fully functioning ocean-bound plastics supply chain.

Through March 2019, we have collected more than 25 million plastic bottles to be upcycled into HP print cartridges and hardware products — that's approximately 716,000 pounds (325 tonnes) of plastic material that might otherwise have washed into the Caribbean Sea.

Through this initiative, we have opened a new market opportunity, providing a steady revenue stream for local collectors, enabling safer working conditions, and local educational opportunities.

We are proud of our progress, but also recognize that this is a challenge bigger than any one company or organization can address. To further advance our progress, in 2018 HP joined NextWave Plastics, a global consortium of worldwide businesses committed to scaling the use of ocean-bound plastics by developing the first global network of ocean-bound plastics supply chains.

To tackle the global challenge of ocean plastic, collaboration within and between industries is critical.

Through March 2019

716,000
pounds (325 tonnes) of ocean-bound plastic sourced for use in HP products.

795
income opportunities created for adults in Haiti.[45]

100
children enrolled in school.

A MORE SUSTAINABLE AND INCLUSIVE INDUSTRIAL REVOLUTION WITH DIGITAL MANUFACTURING

As we accelerate into the Fourth Industrial Revolution, we are witnessing a profound transformation that will disrupt and reinvent virtually every aspect of the global manufacturing industry.

HP Multi Jet Fusion 3D printing technology is poised to help power this transformation, while driving a more sustainable and inclusive industrial revolution.

In a recent HP assessment, our Multi Jet Fusion technology performed in the top level in eight of nine dimensions related to health and environmental attributes.[46]
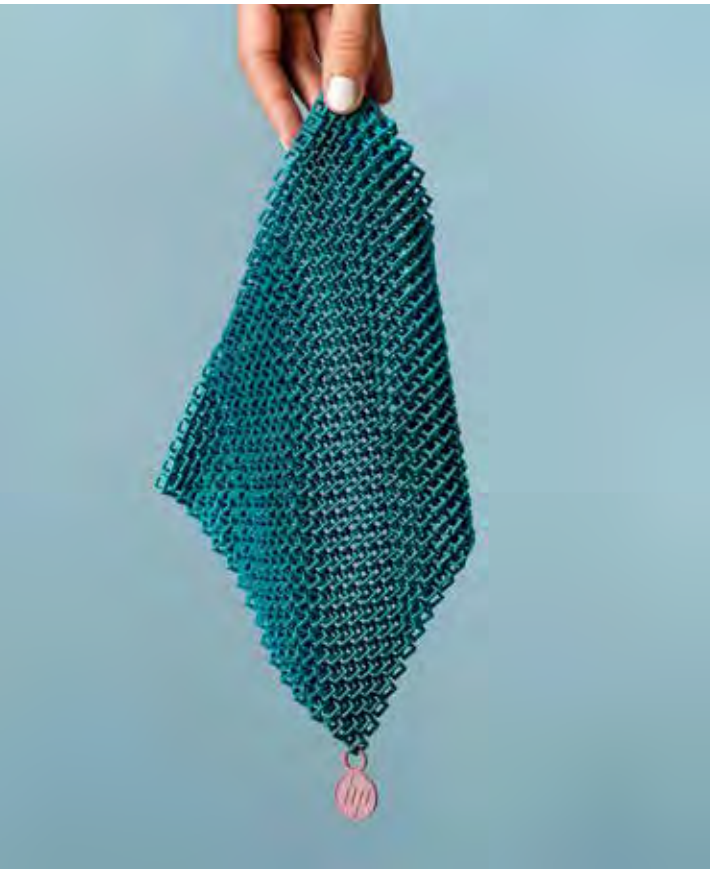
REINVENTING SUPPLY CHAINS AND PRODUCTS

By shortening and simplifying supply chains, digital manufacturing enabled by 3D printing technology helps to reduce greenhouse gas and other emissions related to manufacturing and transportation. As smaller-scale, distributed manufacturing becomes the norm, products can be produced locally as needed, reducing lead times, enabling better matching of sup-ply and demand, and avoiding excess production that could end up as waste. Short runs will become more cost effective, enabling greater product customization based on local market tastes or unique needs.

TRANSFORMING JOBS AND ECONOMIES

The accelerating growth of 3D printing will disrupt and redistribute an estimated $4–6 trillion of the global economy in the next five to 10 years.[47] Jobs will shift around the globe, with manufacturing migrating to places where 3D printing is fully embraced. By reducing upfront costs and enabling economically feasible, smaller-scale production, this technology will also lower barriers to entry for start-ups and established players alike, while opening the door to innovative solutions that address our most pressing issues. In 2018, HP and key strategic partners launched the HP-NTU Digital Manufacturing Corporate Lab to drive the innovation, technology, skills building, and economic development critical to advance the Fourth Industrial Revolution.

THOUGHTFUL MATERIALS USE AND INNOVATION

A significant part of the life cycle impact of HP Multi Jet Fusion 3D printed parts relates to materials. HP Jet Fusion 3D printers enable industry-leading surplus material reusability of up to 80%.[48] By providing highly reusable printing materials, we enable production of finished parts that have a lower impact. 3D printing also enables more materials-efficient designs com-pared to traditional manufacturing, further reducing overall impact.

In 2019, HP expanded its recycling program to include 3D consumables, such as Original HP agent printheads and cartridges.

HP ON HP

HP is using 3D printing technology to transform our own supply chain and to print selected parts for our own products. This improves speed-to-market, reduces costs and environmental impact, and enhances customer satisfaction.

PERSONALIZED HEALTHCARE INNOVATION

UK-based Crispin Orthotics is using HP's Multi Jet Fusion 3D printing technology to make custom-print-ed support devices for almost any part of the body, including ankles, knees, wrists, and spines. These cost less than the traditional carbon fiber versions and can be made to exacting specifications. Compared to previous designs, the 3D-printed orthotics are flexible, lightweight, and much less bulky, which helps to speed up patients' rehabilitation.

PROTECTING, RESTORING & PROMOTING SUSTAINABLE FORESTS

GOAL Achieve zero deforestation associated with HP brand paper and paper-based product packaging by 2020.[49]

PROGRESS

100%

Achieved for HP brand paper in 2016 and maintained that performance through 2018. Reached 65% for paper-based product packaging.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

Forests are key to the survival of human, animal, and plant life around the world.

They are a source of food, medicine, fuel, and jobs for more than a billion people, are essential to biodiversity, and help filter our air and combat climate change by absorbing carbon from the atmosphere.

As HP works to transform our business to drive a more efficient, low-carbon, and circular economy, protecting the world's forests is a key part of the solution.

18.7 MILLION

acres of forests are lost each year through deforestation.[50]

80%

of the planet's terrestrial biodiversity is supported by forests.[51]

2 BILLION

tonnes of carbon dioxide are absorbed by forests each year.[52]

Vision for a Forest Positive[53] Future

In March 2019, HP announced its <u>bold vision</u> for print sustainability — pledging to make printing with HP forest positive, carbon neutral, and part of a circular economy.

A Long Legacy of Supporting Responsible Forestry

A decade ago, HP became the first IT company to publish a forestry policy, the <u>HP Environmentally Preferable Paper Policy</u>.

In June 2016, we announced a commitment to achieve zero deforestation for our HP brand paper and paper-based product packaging. This commitment means that all HP brand paper and paper-based product packaging will be derived from certified and recycled sources by 2020, with a preference for virgin fiber from certified sources of the Forest Stewardship Council (FSC), a nonprofit that promotes responsible management of the world's forests.

In addition to sourcing wood-based fibers more responsibly, we also look for ways to reduce the amount of materials used in our packaging, recycle materials where possible, and shift to more sustainable materials. For example, in our Asia Pacific and Japan region we have partnered with a supplier to replace the wood pallets used to ship HP printers in the area with <u>pallets made from straw</u> that otherwise would have been burned and created air pollution.

We also help customers print more responsibly by designing printers and software to optimize paper use, defaulting many print fleets to double-sided printing, reducing paper waste through HP Managed Print Services, and improving paper recyclability by developing solutions for de-inking.

By collaborating across the paper industry, and with the scientific community and NGOs, we encourage best practices and work to address cross-market issues and drive adoption of forest positive actions.

Respecting Human Rights Across the Value Chain

Respecting human rights is a core value at HP and embedded in the way we do business. This is not only a moral imperative, but increasingly a strategic business requirement. Our stance is clear and uncompromising. We respect the fundamental rights and freedoms to which all people everywhere are entitled.

We are committed to ensuring that everyone is treated with dignity, respect, and fairness — within our own company and through collaboration with our partners and suppliers.

CONTINUING A LONG HISTORY OF LEADERSHIP

We respect and uphold relevant human rights in alignment with the UN Universal Declaration of Human Rights, the UN Guiding Principles for Business and Human Rights, and the UN Global Compact. Our company-wide Human Rights Council has strengthened our management of human rights risks. Our customers, partners, investors, and other stakeholders rightly expect us to operate with the highest levels of integrity, and to continue to demonstrate leadership in this rapidly evolving area through our human rights-related policies and practices.

ENGAGING WITH SUPPLIERS TO SAFEGUARD WORKER RIGHTS

We are committed to ensuring that our products are engineered and manufactured with respect for the people who make them. The best way to protect workers and improve labor standards is through transparency and due diligence. Using this approach, we continue to work closely with our suppliers to build an ethical supply chain, foster opportunity and equality, eliminate discrimination, eradicate forced labor, safeguard the rights of workers, and help local communities thrive.

PROTECTING, EMPOWERING, AND FAIRLY REWARDING OUR EMPLOYEES

In our own operations, we strive to ensure that our employees have a safe and healthy workplace, where harassment and discrimination are never tolerated. Within HP and across our value chain, we unlock the potential of all employees by championing diversity and inclusion, wellbeing, and pay equity. We consider privacy an important human right and are committed to protecting our employees' and customers' personal information.

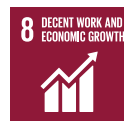## PROACTIVELY MANAGING AND ADDRESSING ISSUES WHEREVER WE FIND THEM

Based on our latest human rights assessment in 2018, we continue to proactively address challenges wherever we uncover them and to communicate progress transparently. HP strives to implement global policies and programs that protect and empower the most vulnerable populations. This encompasses our initiatives in education, disaster recovery and resilience, and opportunities for women and minorities.

An Ethical and Sustainable Global Supply Chain

HP has one of the largest and most sophisticated design and engineering supply chains in the IT industry — made up of hundreds of production suppliers and thousands of nonproduction suppliers.[54]

As customer expectations rise, global regulations continue to evolve, and our industry continues to undergo major transformation, managing our supplier relationships and responsibility is increasingly important.

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

GOAL

Develop skills and improve wellbeing of 500,000 factory workers by 2025, since the beginning of 2015.

PROGRESS

12,000

supplier factory workers participated in 10 programs in three countries, bringing the total to 255,400 workers trained since the beginning of 2015.

GOAL

Help suppliers cut 2 million tonnes of CO_2e emissions between 2010 and 2025.[55]

PROGRESS

1.16 MILLION

tonnes of CO_2e emissions avoided by suppliers.

BUILDING CAPABILITIES AND SKILLS

We aim to empower workers so that everyone who helps bring our products to market can thrive. For example, in 2018 we launched our Women in Factories program in China focused on wellness and leadership skills, as part of our ongoing involvement in a BSR initiative in the country. Through peer-to-peer coaching plus direct engagement, our program has reached more than 11,600 female workers across three supplier sites. BSR's final report revealed satisfaction rates of 93.8% among the peer educators and 83% among workers, while factory management scored the program 9.5 out of 10.

REDUCING ENVIRONMENTAL IMPACT

With nearly half of our carbon footprint coming from our supply chain, we recognize the importance of partnering with our suppliers to reduce their environmental impact in order to create a more resilient supply chain. We collaborate closely with our production and nonproduction suppliers to drive low-carbon and resource-efficient transformation throughout the value chain, and we offer targeted programs to help suppliers gain capabilities and make lasting improvements.

COLLABORATING TO ADDRESS FORCED LABOR AND EXCESSIVE WORKING HOURS

All people are entitled to respect, dignity, and freedom from discrimination and harassment, as well as fair, safe labor conditions and freely chosen work. Uncovering and addressing complex supply chain risks such as forced labor and excessive working hours is essential and challenging work. For example, through our partnership with the Responsible Labor Initiative, we are working to certify recruitment agencies and train them on proper practices that uphold workers' rights. HP also requires its suppliers to reimburse workers for fees charged by these agencies.

We are investing in policies, programs, and capabilities to create a positive impact, strengthen and transform our supply chain, empower workers, and provide greater transparency and accountability to our stakeholders.

$2.5 billion

in new, retained, and potential revenue in 2018 took supply chain responsibility into account.[56]

87.5%

average supplier score on Sustainability Scorecard in 2018, up from 75% in 2016.[57]

KNOW THE CHAIN

HP is one of the companies receiving the highest score in commitment and governance for corporate efforts to eradicate forced labor from the ICT supply chain

2018 ecovadis

HP received a top 1% score for all suppliers assessed by EcoVadis, leading to a 9th consecutive Gold CSR rating

Embracing Diversity to Fuel Innovation

The best innovation springs from teams of individuals, each collaborating and contributing their own perspectives, knowledge, and experiences to advance how the world works and lives. From HP's earliest days, we've demonstrated that capturing and drawing from diverse backgrounds and points of view improves our products and services — and our company overall.

HP is reinventing the standard for diversity and inclusion — in how we operate as a business and how we impact society.
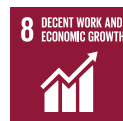
83%

of HP employees feel they can be themselves at work.[58]

88%

of HP employees agree that HP values diversity.[59]

REFINITIV™

DATA IS JUST
THE BEGINNING

Ranked 20th overall and 2nd for technology companies on Thomson Reuters 2018 Diversity & Inclusion Index.[60]

HP's Board of Directors is the most diverse of any U.S. technology company. We are also among the top technology companies for women in executive positions. We work to foster diversity and inclusion at all levels. In addition, our Reinvent Mindsets campaign aims to spark behavioral change and demonstrate action by shining a light on difficult topics such as unconscious bias.
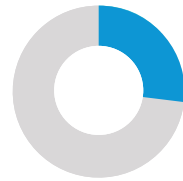
BOARD OF DIRECTORS*

Minorities
55%

Women
45%

Underrepresented minorities
27%

EXECUTIVES**
(DIRECTOR AND ABOVE)

TOTAL WORKFORCE**

2018 U.S. HIRING

Women
31%

Women
36%

Typically underrepresented groups***
59%

BUSINESS IMPACT NETWORKS (BINs)

100 BINs help to drive diversity and inclusion at all levels — about 13,000 BIN members participated in events across 25 countries in 2018.

*As of January 31, 2019. | **As of October 31, 2018. | ***Women, minorities, veterans, and people with disabilities.

Setting the standard for diversity and inclusion starts at the top

EXTENDING OUR COMMITMENT BEYOND OUR OWN EMPLOYEES

In 2016, we challenged our top five marketing agencies to significantly increase the number of U.S. minorities and women in key creative and strategic planning roles on HP account teams. As of the end of 2018, 36% of U.S.-based agency account teams were from underrepresented groups — up from 24% in 2017. Twenty-eight percent of senior account staff were from underrepresented groups — up from 19% in 2017. Four out of five agencies saw a positive upward trend in underrepresented minority representation for overall account teams. Women increased to 62% of HP's U.S.-based agency account teams (up from 61% in 2017), and 55% of senior account roles (up from 51% in 2017).

Our legal team also works to improve diversity among our U.S. law firm partners and withholds up to 10% of all invoicing of those partners who fail to meet or exceed diverse minimal staffing on work for us. See details.

Beyond our own business partners and suppliers, we also collaborate with organizations that seek to address underrepresentation in our industry and that highlight and promote diverse voices:

• **In 2018, more than 1,500 volunteers from 41 company sites participated in Hour of Code**, an initiative that aims to solve the diversity gap in computer science, reaching over 25,000 students in almost 300 schools and communities worldwide.

• **Out of 880 entrants to the Girl Rising Creative Challenge,** we awarded 12 young changemakers with micro-grants and HP technology to help make their communities more gender-equitable.

• **Through financial and technology support for Black Girls Code,** we invest in the next generation of female innovators and leaders. In 2018, we reached more than 500 girls in 13 cities across the United States.

• **In March 2018, we launched a 15-month partnership with Women Deliver,** providing support and technology to the organization's Young Leaders program. Women Deliver is a leading global advocate that champions gender equality and the health and rights of girls and women.

SUPPORTING DIVERSE SUPPLIERS

$423 MILLION

spent with small companies in the United States in 2018.[61]

$219 MILLION

spent with minority- and women-owned businesses in the United States in 2018.[62]

Our commitment to diversity and inclusion extends to how we design and deliver products. We apply industry-leading, universal design principles to meet a broad range of disability and age-related needs and improve our products for everyone. **Learn more.**

Quality Education for Every Person

Quality education is a fundamental human right. For typically underserved groups, technology can be a great equalizer, helping to bridge the digital divide and connect people and communities to greater opportunity. Through our products and solutions, programs, and partnerships, HP is empowering teachers, improving learning outcomes for millions, and equipping people with the skills to succeed in the future economy.

Along with our pioneering work supporting education in schools, HP also announced in 2018 a new commitment to empowering colleges and universities. The Campus of the Future framework constitutes a global effort to make campuses more productive, more inclusive, and more secure. Focusing on student success and learning outcomes, HP is collaborating with institutions to understand the potential impact of new technologies.
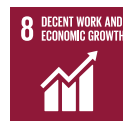
GOAL

Enable better learning outcomes for 100 million people by 2025, since the beginning of 2015.

PROGRESS

21 MILLION+

students and adult learners have benefited from HP's education programs and solutions that advance quality learning and digital literacy, and enable better learning outcomes since the beginning of 2015.
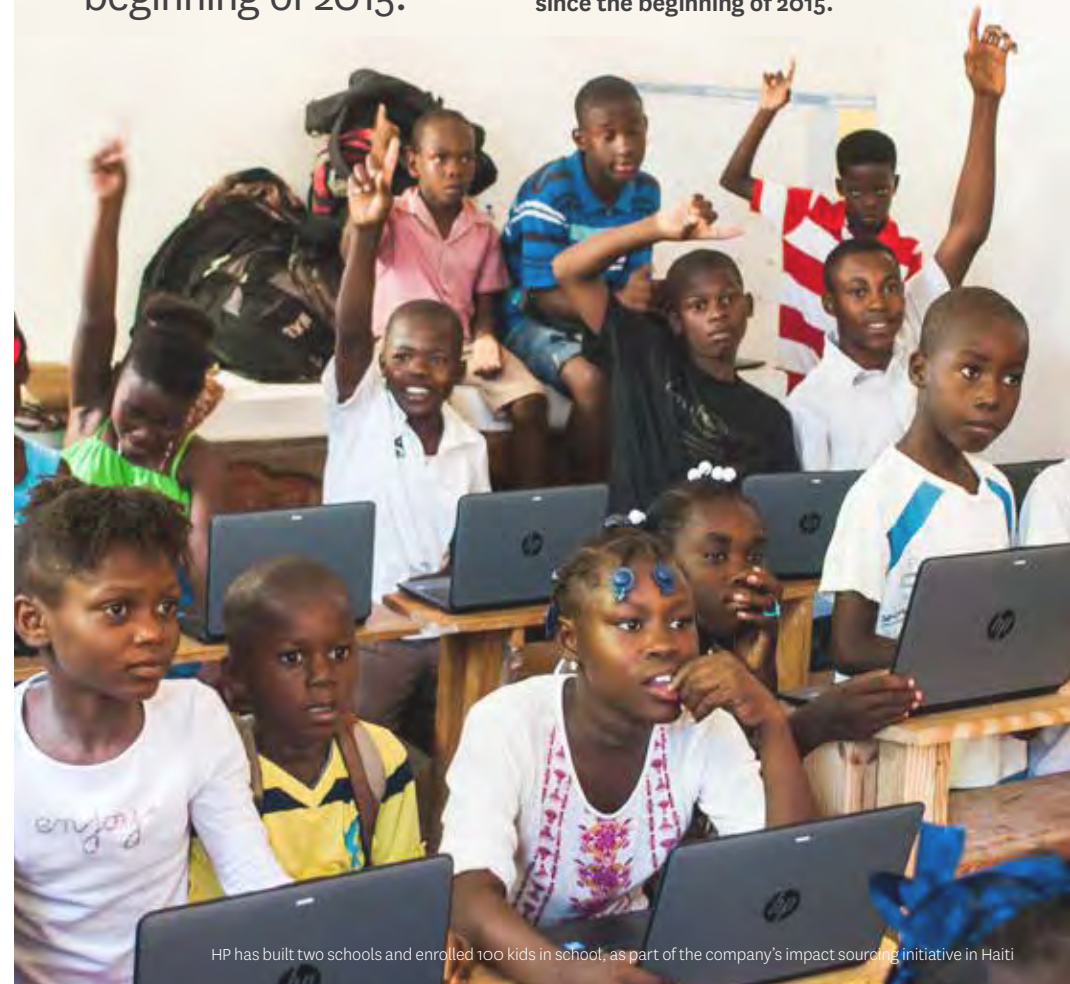
HP has built two schools and enrolled 100 kids in school, as part of the company's impact sourcing initiative in Haiti

HP LIFE has reached 166,000 people since 2016 and nearly 750,000 since 2012.

BUILDING SKILLS FOR THE FUTURE ECONOMY

To harness the full potential of the Fourth Industrial Revolution, we must invest in tomorrow's workforce and ensure that the future economy is powered by a diversity of thought and an inclusive culture.

Colleges and universities need to support next-generation learners and prepare students for the jobs of the future, not the jobs of the past.

HP's Campus of the Future framework delivers vibrant, secure environments for teaching, learning, research, and collaboration, harnessing virtual reality, augmented reality, and 3D printing to improve engagement and learning outcomes. In 2017, we launched a major research program with more than 20 higher education institutions, including Harvard, Massachusetts Institute of Technology (MIT), and Florida International University. To explore frontier use cases of extended reality (XR) technology in teaching, learning, and research, HP provides technology grants to test the application of blended reality in classrooms and research labs.

Lifelong learning that supports up-skilling, re-skilling, and entrepreneurial thinking will be critical to power this future economy. HP LIFE (Learning Initiative for Entrepreneurs), an HP Foundation program, aims to enroll 1 million users between 2016 and 2025. HP LIFE provides 30 free business and IT skills courses in seven languages, including a module that teaches entrepreneurs how to integrate 3D printing into their business.

Talent and ingenuity can exist anywhere, and open innovation and education resources are key to inclusive success and prosperity. With this in mind, we partner with MIT on the Solve program, which focuses on finding lasting solutions to some of the world's most pressing challenges.

HP World on Wheels (WoW) mobile learning labs (WOW) brings self-contained, solar-powered, Internet-enabled mobile learning labs to rural areas of India. WOW supports digital literacy, education, and entrepreneurship, aiming to reach 6,400 Indian villages and impact more than 15 million people by 2022.

PARTNERING TO BRING QUALITY LEARNING AND DIGITAL LITERACY TO MILLIONS AROUND THE WORLD

100+

schools have received HP Learning Studios, supporting thousands of students in 2018.

3,500

Syrian refugee students and thousands more of their Lebanese peers and teachers could be reached through HP's partnership with the Clooney Foundation for Justice, UNICEF, and Google.org, during the 2018-2019 school year.

3

HP Learning Studios have been launched in Jordan, at the Azraq Refugee Camp and in Amman. We are planning three more in Lebanon by 2020, with implementation beginning in 2019.

HP NATIONAL EDUCATION TECHNOLOGY ASSESSMENT (NETA)

Through NETA, we are helping schools create meaningful outcomes from education technology programs and demonstrate to governments a measurable return on investments in education.

Vibrant Communities Everywhere

At HP, we embrace our role in creating positive, lasting change in the communities where we live, work, and do business. We contribute skills, technology, and investments to strengthen the resilience and vitality of our local communities. We work to:

- **Empower underrepresented and marginalized groups**
- **Support eco-stewards and eco-preneurs**
- **Respond when disasters strike**

We also drive sustainable impact at a global level by reinventing and unlocking educational opportunity through the power of technology. See Global education programs. In alignment with the UN Sustainable Development Goals (SDGs), our programs help tackle some of the world's most pressing issues and focus on driving sustainable impact for the planet, people, and communities.

CATALYZING SUSTAINABLE IMPACT THROUGH LOCAL PARTNERSHIPS

Through HP Foundation funding, corporate philanthropy, employee volunteering, and regional sustainable impact programs, we advance open innovation solutions that meet local needs. Our local partners bring critical perspective, expertise, and connections to ensure that our programs are relevant to the needs of the community.

GOAL

Achieve 1.5 million employee volunteering hours by 2025.

cumulative since the beginning of 2016

PROGRESS

284,000

employee volunteering hours

GOAL

Reach $100 million in HP Foundation and employee community giving [63] by 2025.

cumulative since the beginning of 2016
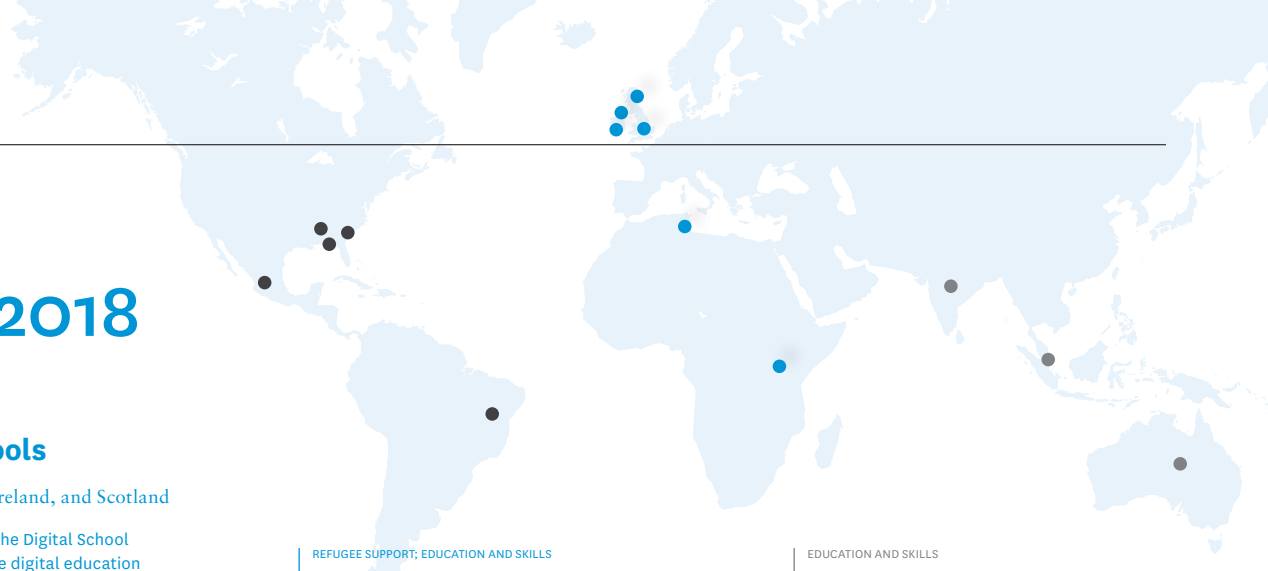
PROGRESS

$23.21 **MILLION**

in HP Foundation and employee community giving

HP partners with Girl Rising to raise awareness and drive progress toward gender equality

HP local impact around the globe in 2018

DISASTER RELIEF
HP Connection Spot

Bucksport, South Carolina; Chattahoochee and Panama City Beach, Florida, United States

For those affected by natural disasters, the ability to connect with family, friends, and resources is vital. HP Connection Spot provides access to computers and Internet to communities in the aftermath of natural disasters. In 2018, HP Connection Spot was deployed to areas affected by hurricanes and floods, with 10 HP volunteers staffing the centers for 19 days.

ENVIRONMENT
Sustainable operations

Guadalajara, Mexico

Employees at our Guadalajara site have helped reduce GHG emissions by more than 700 tonnes of CO_2e.

ENVIRONMENT
Informal sector recycling pilot

São Paulo, Brazil

HP is working with recycling cooperatives to increase the collectors' income and help them correctly manage and recycle electronic waste. Watch video.

EDUCATION AND SKILLS
Digital Schools

Ireland, Northern Ireland, and Scotland

We collaborate with the Digital School Awards to address the digital education gap and recognize leading schools. The Cybersecurity initiative is helping Scottish schools to teach pupils to navigate the digital world safely. Learn more.

EDUCATION AND SKILLS
Supporting local schools

UK and Ireland

We have invested £3.7 million in schools as part of our equipment trade-in program and worked with corporate and other partners on a purchasing program for parents.

REFUGEE SUPPORT; EDUCATION AND SKILLS
HP LIFE and the Mashrou3i partnership

Tunisia

The Mashrou3i partnership in Tunisia has created 1,400 jobs since it began in 2013, with the goal of adding 6,000 more by 2021. Learn more.

REFUGEE SUPPORT; EDUCATION AND SKILLS
HP School Cloud pilot

Uganda

Together with Education Cannot Wait (ECW), Learning Equality, UNHCR, and UNICEF, HP pledged to donate technology and resources to improve the learning outcomes for refugees. Watch video.

EDUCATION AND SKILLS
World on Wheels

India

Since the World on Wheels (WOW) rollout of 12 self-contained, Internet-enabled, solar-powered mobile learning labs in rural India during 2017, we have provided access to WOW resources to an estimated 2 million people across more than 900 villages (as of May 2019). Learn more.

ENVIRONMENT
Make IT Green

Singapore

Working with local agencies, we have helped educate more than 63,000 students about e-waste and collected an estimated 200 tonnes of used IT equipment for recycling. Watch video.

ENVIRONMENT
Planet Ark

Australia

11.8 million HP print cartridges were recycled through 2018 with Cartridges 4 Planet Ark (C4PA), an innovative recycling program we co-founded in 2003 that provides Australians with a free, easy-to-use, and environmentally accredited way to recycle printer cartridges with a zero waste to landfill commitment.

Winning the Right Way

Integrity, fairness, transparency, and accountability are fundamental to an inclusive society and a thriving business.

At HP, how we do things is as important as what we do. We work every day to earn the trust of our stakeholders and uphold our reputation for integrity and ethical leadership. As a result, our employees are proud to work at HP, and customers, partners, and suppliers want to do business with us. Beyond our operations, we use our scale and influence to support ethical conduct across our value chain and the broader IT industry.

Guided by the Integrity at HP program, we apply strong ethics and anti-corruption principles within our operations, across our value chain, and in the communities where we live, work, and do business.

We combine strong internal governance with clear communication so that everyone at HP understands our principles and can put them into practice. Through robust policies, protocols, and controls, we secure the privacy of our customers and employees. We promote equality and human rights for all people across our value chain, guided by internal policies as well as external standards such as the United Nations Universal Declaration of Human Rights. To increase our impact across the industry and beyond, we advocate for public policies that drive progress and sustainable impact.

GOAL

Maintain greater than 99% completion rate of annual Integrity at HP *(formerly Standards of Business Conduct)* training among active HP employees and the Board of Directors.
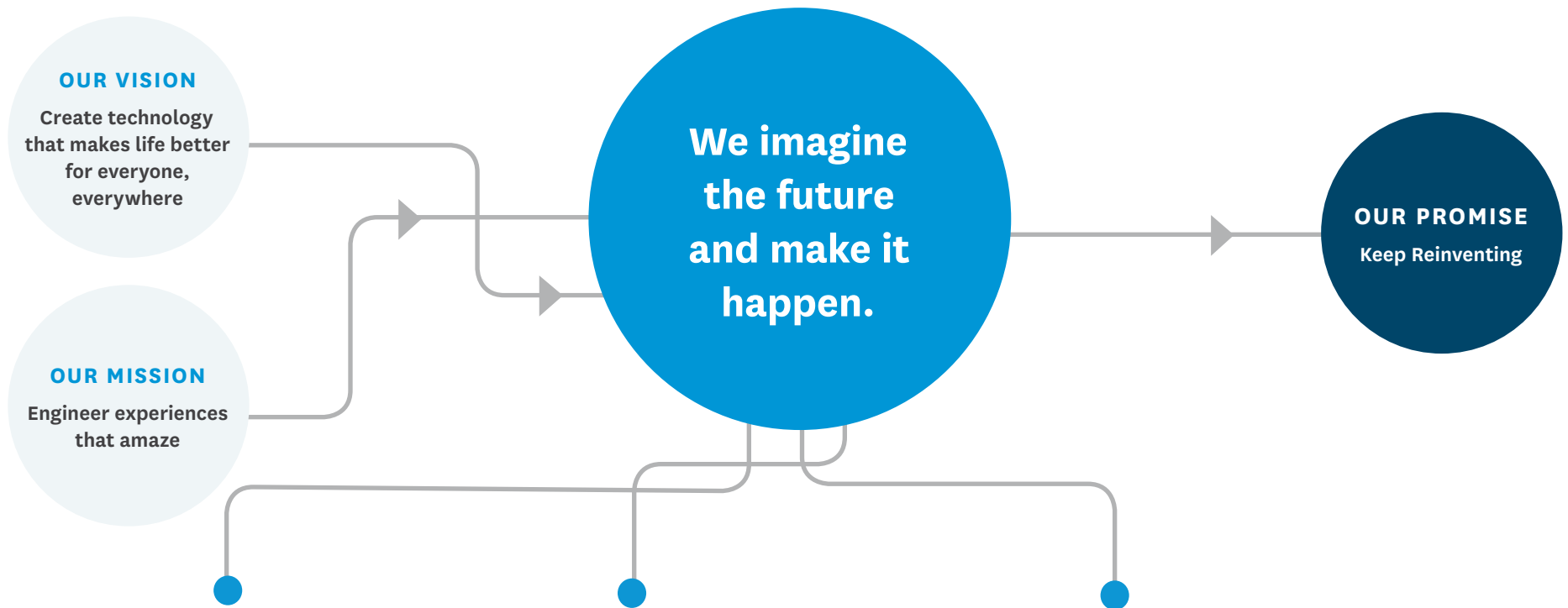
PROGRESS

99.69%

of employees, including senior executives, completed Integrity at HP training, as well as all members of our Board of Directors.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Everyone at HP co-creates our culture every day as we work together to deliver on our vision and mission. It unites us in a shared purpose, while drawing on the diverse backgrounds, experiences, and views of HP employees worldwide.

We look to the HP Way for guidance and inspiration, as it reflects who we are today as well as our aspiration for the company we want to become.

OUR VISION

Create technology that makes life better for everyone, everywhere

OUR MISSION

Engineer experiences that amaze

We imagine the future and make it happen.

OUR PROMISE

Keep Reinventing

What We Value

- Enthusiasm, agility, and ownership
- Uncompromising integrity
- Trust and respect
- Results through teamwork
- Meaningful innovation
- Focus on customers, partners, and communities

How We Work

- We practice a growth mindset
- We embrace diversity to fuel innovation
- We work in ways that are good for us and for the world
- We solve tough challenges by bringing out the best in each other
- ...and we have fun doing it

How We Lead

Imagine the future
- Aim for extraordinary
- Make bold moves
- Simplify the complex

Inspire the team
- Connect, coach, empower
- Find meaning in work
- Partner to win

Make it happen
- Anticipate, learn, adapt
- Do what matters
- Amaze the customer

FORWARD-LOOKING STATEMENTS

This report 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 Inc. and its consolidated subsidiaries ("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, but not limited to, our sustainability goals, the execution of 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 impact of changes in tax laws, including uncertainties related to expected regulations of the U.S. Department of the Treasury implementing the Tax Cuts and Jobs Act of 2017 on HP's tax obligations and effective tax rate; the resolution of pending investigations, claims and disputes; and other risks that are described or updated from time to time in HP's filings with the Securities and Exchange Commission. HP assumes no obligation and does not intend to update these forward-looking statements.

ENDNOTES

1 As of October 31, 2018.

2 Ibid.

3 Ibid.

4 Ibid.

5 Ibid.

6 Renewable electricity purchased and generated on-site, combined with renewable electricity certificates and guarantees of origin, accounted for 47% of our total consumption.

7 This number does not include commercial and industrial graphics printing solutions, packaging for those solutions, scanners, personal systems accessories sold separately, or documentation for any products.

8 Product donations are valued at the Internet list price. This is the price a customer would have paid to purchase the equipment through the HP direct sales channel on the Internet at the time the grant was processed.

9 Data refers to the percentage of HP 2018 Voice Insight Action (VIA) employee survey respondents who strongly agreed or agreed with each statement.

10 Ibid.

11 As of October 31, 2018.

12 As of March 2019.

13 An industry standard for providing environmental information about products and product families. In 2018, HP provided ECO Declarations for product groups representing 93% of revenue.

14 In 2018, we tracked $972 million in new revenue (total contract value) in which sustainability criteria were a known consideration and were supported actively by HP's Sustainability and Compliance organization. This represented an increase of 35% compared to 2017.

15 Ibid.

16 Data refers to the percentage of HP 2018 Voice Insight Action (VIA) employee survey respondents who strongly agreed or agreed with each statement.

17 Ibid.

18 World Population Prospects: The 2015 Revision. United Nations. (2015).

19 68% of the world population projected to live in urban areas by 2050, says UN. UN Department of Economic and Social Affairs. (May 2018).

20 Brookings Data Now: 75 Percent of 2025 Workforce Will Be Millennials. Brookings. (2014).

21 He, Wan and Daniel Goodkind and Paul Kowal. (2016). An aging world. International Population Reports.

22 IHS Markit. The Internet of Things: A Movement, not a Market.

23 Dobbs, Richard. (2015). 4 ways the global economy is being transformed. World Economic Forum.

24 Machines Will Do More Tasks Than Humans by 2025 but Robot Revolution Will Still Create 58 Million Net New Jobs in Next Five Years. World Economic Forum. (Sept. 2018).

25 Lagarde, Christine. (2016) Asia's Advancing Role in the Global Economy, By Christine Lagarde, Managing Director, International Monetary Fund. IMF (2016).

26 Vision 2050 – The new agenda for business. World Business Council for Sustainable Development.

27 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 post-consumer waste recycled plastic, closed-loop plastic, and ocean-bound plastic used in HP product manufacturing. 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.

28 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, including notebooks, tablets, desktops, mobile computing devices, workstations, displays, and digital signage; and HP inkjet, LaserJet, DesignJet, Indigo, Scitex, and Jet Fusion 3D printers, and scanners.

29 All HP brand paper and paper-based product packaging will be derived from certified and recycled sources by 2020, with a preference for virgin fiber from certified sources of the Forest Stewardship Council (FSC). Packaging is the box that comes with the product and all paper (including packaging and materials) inside the box.

30 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.

31 This continues a goal from before the separation of Hewlett-Packard Company on November 1, 2015, extending the goal to 2025. Includes data from suppliers associated with HP Inc. and HP Inc. pre-separation business units.

32 Progress through 2018 includes 77,800 factory workers in 2015, 45,700 in 2016, 119,900 in 2017, and 12,000 in 2018.

33 This data does not include participation in Responsible Business Alliance audits. "Participation in our supply chain sustainability programs" is quantified by those programs that go beyond audits to build supplier capabilities to meet our standards. This includes deep dive assessment, weekly reporting of labor metrics, procurement engagement through our supplier Sustainability Scorecard, and indepth coaching and workshops tailored to supplier risks.

34 Includes valuation of employee volunteer hours, employee donations, HP Foundation match, and HP Foundation grants.

35 Earth Overshoot Day, Global Footprint Network.

36 2018 raw materials savings estimation related to spare parts take-back and reuse program, BID take back and reuse program, press dismantling program, and press reconditioning program.

37 Comparison versus press without RIO system.

38 Recycled content plastic (RCP) as a percentage of total plastic used in all HP personal systems and printer hardware and printing supplies shipped during the reporting year. Total volume excludes brand-licensed products and after-market hardware accessories. Total RCP includes post-consumer waste recycled plastic, closed-loop plastic, and ocean-bound plastic used in HP product manufacturing. 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.

39 A million bottles a minute: world's plastic binge 'as dangerous as climate change'. The Guardian (May 2018).

40 The New Plastics Economy. Ellen MacArthur Foundation. (2016).

41 Ibid.

42 Does not include toner bottles.

43 Compared to the majority of in-class color desktop inkjet all-in-ones <$199 USD. HP internal research survey of printer manufacturers' published specifications, sustainability reports and press releases as of 1/1/2019 and Buyers Laboratory Inc. January 2019 study commissioned by HP; keypointintelligence.com/products/samples/hp-envy/. Market share as reported by IDC CYQ3 2018 Hardcopy Peripherals Tracker. The HP ENVY 6200, 7100, 7800 all-in-one printers contain more than 10% plastic from recycled printers and other electronics by weight of the plastic.

44 As defined by the IEEE 1680.1 2018 EPEAT standard. Data are calendar year 2018.

45 One income opportunity equals the ability for a person to earn a consistent income for one month.

46 In addition to HP Multi Jet Fusion, the assessment included specific 3D printing systems using the following technologies: digital light synthesis, fused deposition modeling, and selective laser sintering.

47 3D Printing: ensuring manufacturing leadership in the 21st century, page 15.

48 HP Jet Fusion 3D printing solutions using HP 3D High Reusability PA 12 and HP 3D High Reusability PA 11 provide 80% postproduction surplus material reusability, producing functional parts batch after batch. For testing, material is aged in real printing conditions and tracked by generations (worst case for reusability). Parts are then made from each generation and tested for mechanical properties and accuracy.

49 All HP brand paper and paper-based product packaging will be derived from certified and recycled sources by 2020, with a preference for virgin fiber from certified sources of the Forest Stewardship Council (FSC). Packaging is the box that comes with the product and all paper (including packaging and materials) inside the box.

50 FAO Global Forest Resource Assessment 2015 and WWF Living Forests Report: Chapter 5.

51 UNEP-FAO-WCMC 2009 and FAO 2011.

52 International Union of Conservation of Nature.

53 HP's Forest Positive Framework is built on previous HP achievements in responsible sourcing of HP brand paper and paper-based product packaging. The Framework includes actions in five areas: maintaining HP's long-standing commitment to sustainable sourcing, engaging in collaborative projects with NGOs to support leading forestry science, working with NGOs to restore and protect global forests, leveraging HP's media partnerships to influence positive actions, and advancing printing technology to help customers use paper efficiently. To reduce the burden on forests, HP has also been increasing alternative fiber content in its packaging.

54 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 "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).

55 This continues a goal from before the separation of Hewlett-Packard Company on November 1, 2015, extending the goal to 2025. Includes data from suppliers associated with HP Inc. and HP Inc. pre-separation business units.

56 In 2018, the value of revenue supported by HP's Sustainability and Compliance organization included retained, new, and potential revenue, where supply chain responsibility was an area of particular interest for the customer.

57 Sustainability Scorecards provide suppliers a score that encompasses audit performance (60% of total score), environmental reporting (13%), conflict minerals disclosure (6%), and other social and environmental topics (21%). Suppliers discuss their scorecard with HP as part of regular business performance evaluations that determine ongoing business. Learn more.

58 Data refers to the percentage of HP 2018 Voice Insight Action (VIA) employee survey respondents who strongly agreed or agreed with each statement.

59 Ibid.

60 The Financial and Risk business of Thomson Reuters is now Refinitiv.

61 Data is for the 12 months ending September 30 of the year noted. Figure is for purchases in the United States and Puerto Rico from U.S.-based businesses.

62 Data is for the 12 months ending September 30 of the year noted. Figure is for purchases in the United States and Puerto Rico from U.S.-based businesses. Suppliers are categorized as minority-owned or women-owned, not both. These categories include all sizes of businesses.

63 Includes valuation of employee volunteer hours, employee donations, HP Foundation match, and HP Foundation grants.

DETAILED DISCLOSURES

Table of contents: Detailed disclosures

In this report, "we", "us", "our", "company", "HP", and "HP Inc." refer to HP Inc. (formerly Hewlett-Packard Company) and its consolidated subsidiaries.

Sustainable Impact

Sustainable Impact strategy

Sustainable Impact serves as a guiding principle for how we do business and is critical to achieving our company vision: to create technology that makes life better for everyone, everywhere. It is fundamental to our reinvention journey—fueling our innovation and growth, strengthening our business for the long-term, and enabling us to develop and deliver the best solutions to our customers.

Sustainable Impact is a business imperative and key differentiator, helping us to win over $900 million dollars of new revenue[1] in 2018.

As we look ahead, we anticipate a future that is more resource constrained, interconnected, and transparent than ever before. We know that the businesses that will thrive over the long term are those that can decouple growth from consumption, deliver innovation powered by a diverse and inclusive culture, and offer solutions to some of the greatest challenges that face business and society. With a keen focus on

Sustainable Impact, we are able to capitalize on what we do best, which is to anticipate and prepare for the next wave of global challenges and create opportunities through the power of technology.

We are driving Sustainable Impact across three pillars – Planet, People, and Community. This strategy is informed by materiality assessment and ongoing engagement with stakeholders, and reflects integration with our core business.

Winning the right way

At HP, how we do things is as important as what we do. We work every day to earn the trust of our stakeholders and uphold our reputation for integrity and ethical leadership. Our values are deeply rooted in our heritage and are embedded into our operating model and business strategy. We continue to look for ways to raise the bar, challenge ourselves, and reinvent our company to drive lasting improvements for the planet, people, and communities where we live, work, and do business.

Guided by our code of business conduct, known as Integrity at HP, we apply strong ethics and anti-corruption principles within our operations, across our value chain, and in our communities. We combine strong internal governance with clear communication so that everyone at HP understands our principles and can put them into practice. Through robust policies, protocols, and controls, we protect the privacy of our customers and employees. To increase our impact across the industry and beyond, we advocate for public policies that drive progress and sustainable impact.

In 2018, 99.69% of employees, including senior executives, and all members of our Board of Directors, completed Integrity at HP training.

🌲☁ Planet

Our mission

Transform our entire business to drive a more efficient, circular, and low-carbon economy.

Enable our customers to invent the future through our most sustainable portfolio of products and services.

How we're driving progress

In 2011, the global population passed 7 billion—and that number continues to grow. The world's population is on pace to hit 9.8 billion by 2050.[2] This growth will put tremendous stress on our natural resources. In fact, at our current rate of growth, by 2050 we'll need the equivalent of 2.3 Earths to support us all.[3] At the same time, as the population grows, more people will look to move up the economic ladder, especially in developing and emerging economies. And as incomes increase, so will consumption, putting additional pressure on our natural resources.

Our aim is to transform our entire business for a more circular and low-carbon economy and offer customers our most sustainable portfolio

of products and services so that they can achieve more with less environmental impact. Our efforts include developing solutions that keep materials in use at their highest state of value for the longest possible time, ensuring the materials in our products are properly repurposed at end of service, and shifting from transactional product sales to service models.

We see the need to act on climate change as our responsibility and vital to the long-term success of our business. As such, we work to reduce our environmental impact across our entire value chain. In support of these efforts, we are investing in renewable electricity, setting public and science-based greenhouse gas (GHG) emissions reduction goals, and transparently reporting on our progress.

Building on our decades-long expertise in closed-loop recycling, we have sourced 716,000 pounds of ocean-bound plastic for use in our supplies and hardware (through March 2019). We've eliminated deforestation from our paper supply chain, and are more than halfway toward eliminating linkages to deforestation related to our paper-based packaging,[4] so that our customers can be confident that printing with HP means supporting healthy and thriving forests worldwide. And, we are investing in disruptive technologies such as 3D printing that will help drive a more sustainable Fourth Industrial Revolution.

Sustainable Impact goals

Goal	Progress in 2018	UN SDGs
PRODUCTS AND SERVICES		
NEW GOAL Use 30% postconsumer recycled content plastic across HP's personal systems and print product portfolio by 2025.[5]	Through the end of 2018, we achieved 7% postconsumer recycled content plastic use in HP personal systems and print products. Learn more.	12, 14
NEW GOAL Reduce HP product use GHG emissions intensity by 30% by 2025, compared to 2015.[6]	Through the end of 2018, we achieved an 11% decrease. Learn more.	7, 12, 13
Recycle 1.2 million tonnes of hardware and supplies by 2025, since the beginning of 2016.	Reached 395,200 tonnes recycled through the end of 2018. Learn more.	12
SUPPLY CHAIN		
Achieve zero deforestation associated with HP brand paper and paper-based product packaging by 2020.[7]	100% achieved for HP brand paper in 2016 and maintained that performance through 2018. Reached 65% for paper-based product packaging. Learn more.	13, 15
Reduce first-tier production supplier and product transportation-related GHG emissions intensity by 10% by 2025, compared to 2015.[8]	Through December 2017 (the most recent year data is available), GHG emissions intensity increased by 6% compared to 2015. Learn more.	13
Help suppliers cut 2 million tonnes of carbon dioxide equivalent (CO_2e) emissions between 2010 and 2025.[9]	Through 2018, suppliers avoided 1.16 million tonnes of CO_2e emissions. Learn more.	13
OPERATIONS		
NEW GOAL Use 60% renewable electricity in global operations by 2025.	HP's global operations procured and generated 275,944 MWh of renewable electricity and attributes, equivalent to 47% of our global electricity consumption. Learn more.	7, 13
NEW GOAL Use 100% renewable electricity in global operations by 2035.		
NEW GOAL Reduce Scope 1 and Scope 2 GHG emissions from global operations by 60% by 2025, compared to 2015.	HP's global operations produced 229,600 tonnes of Scope 1 and Scope 2 CO_2e emissions, 41% less than our 2015 baseline. Learn more.	13
Reduce potable water consumption in global operations by 15% by 2025, compared to 2015.	Potable water consumption equaled 2,997,000 cubic meters globally, 6% less than in 2015. Learn more.	12, 13, 15

People

Our mission

Enable all people who help bring our products to market to thrive at work, at home, and in their communities.

Embed diversity and inclusion in everything we do.

How we're driving progress

We know that better innovation and business growth comes from having diverse, empowered people and teams. It's why we champion dignity, respect, equality, and human rights in our own business, within our supply chain, and beyond our corporate walls. In the coming decades, changing demographics, socioeconomic conditions and expectations around the role of corporations will radically change the workforce, customer requirements and how we create and deliver our products

and services. Every day, our people help to shape our future and bring our vision to life. They power our innovation, contributing unique perspectives and a growth mindset to create breakthrough technologies and transformative solutions.

Championing diversity and inclusion and respect for human rights are fundamental to the HP Way. Our core values shape how we do business worldwide. HP works to ensure that our products are engineered and manufactured with integrity and respect for the people who help make them.

We strive to protect and empower all workers across our value chain. Our expectations around environmental management, labor management, audit scores, and minerals sourcing are all integrated into our supplier Sustainability Scorecard, which is embedded into each supplier's overall procurement score. On top of this, we invest in capability building, skills training and wellness programs to help ensure that the people who make our products can thrive at work, at home, and in their communities.

Sustainable Impact goals

Goal	Progress in 2018	UN SDGs
Develop skills and improve wellbeing of 500,000 factory workers by 2025, since the beginning of 2015.	255,400 supplier factory workers have participated in programs since the beginning of 2015.[10] Learn more.	8, 10
Double factory participation[11] in our supply chain sustainability programs by 2025, compared to 2015.	Factory participation decreased by 3% compared to 2015, due in large part to changes in the composition of our supply chain in 2018. Learn more.	8, 10

Fostering diversity and inclusion is a business imperative and essential to serving our global customers. To this end, we embed diversity and inclusion into everything we do—starting at the top. In fact, our Board of Directors is the most diverse of any U.S. technology company. We encourage our suppliers and partners to commit to diversity and inclusion goals, and invest in programs and partnerships that build the pipeline for diverse talent. And we are committed to creating inclusive technology that affirms human dignity, promotes independence, and unleashes creativity.

Community

Our mission

Unlock educational and economic opportunity through the power of technology.

Improve the vitality and resilience of our local communities.

How we're driving progress

At HP, we know that technology can connect communities to a world of opportunity. But for a large portion of society, participating in a rapidly evolving and connected world remains out of reach. Ensuring that people have access to technology, transformational learning opportunities, and support to tackle pressing local issues is essential to building an inclusive economy with vibrant communities everywhere.

We believe that education is a fundamental human right, and that technology can be the great equalizer. As technology evolves, learning and skill-building must evolve in lockstep. Classrooms and learning

methods must be lean, flexible, and ready to pivot in order to prepare students for lifelong learning. Through our products and solutions, global programs, and strategic partnerships, we are helping deliver quality technology-enabled learning that engages students, empowers educators, and unlocks economic opportunity. Innovation is accelerating at an incredible pace—the generation now entering the workforce, Generation Z, was the first born into a world where Internet and smartphones exist. These digital natives will make up 36% of the global workforce by 2020,[12] and they come with new expectations and a different style of working. The generation that follows, which some call Generation Alpha, will evolve even faster. We support lifelong learning to help prepare people for the future of work, so that people and society can thrive.

HP has a global footprint, with operations in 59 countries, and customers, partners and suppliers in nearly every corner of the globe. We embrace the opportunity and responsibility to positively impact the communities where we live, work, and do business. Our global employees contribute their time, resources, and skills to help build

Sustainable Impact goals

Goal	Progress in 2018	UN SDGs
Enable better learning outcomes for 100 million people by 2025, since the beginning of 2015.	More than 21 million students and adult learners have benefited from HP's education programs and solutions that advance quality learning and digital literacy, and enable better learning outcomes since the beginning of 2015. Learn more.	4, 5
Enroll 1 million HP LIFE users between 2016 and 2025.	166,000 users have enrolled in HP LIFE courses since 2016. Learn more.	4, 5, 8
NEW GOAL Contribute 1.5 million employee volunteering hours by 2025 (cumulative since the beginning of 2016).	HP employees have contributed 284,000 volunteer hours to local impact projects through 2018. Learn more.	11, 17
NEW GOAL Contribute $100 million in HP Foundation and employee community giving[13] by 2025 (cumulative since the beginning of 2016).	Giving from the HP Foundation and employees reached $23.21 million through 2018. Learn more.	11, 17

vibrant, resilient, healthy communities. When disasters strike, we are there to assist—HP, our employees, and the HP Foundation[14] along with our strategic partners provide support for affected communities. Our aim is to support thriving communities with greater equality, opportunity, and sustainability for everyone, everywhere.

United Nations Sustainable Development Goals

HP supports the United Nations Sustainable Development Goals (SDGs), and remains committed to driving progress on select goals that are closely aligned to our Sustainable Impact strategy.

Goal	HP's contribution
4 QUALITY EDUCATION	HP is building effective and innovative education solutions for millions of people worldwide, including women and girls, and underrepresented and marginalized groups. Our goal is to enable better learning outcomes for 100 million people by 2025, since the beginning of 2015, by deploying breakthrough technology solutions that support engaging, personalized educational experiences; partnering to develop scalable models for digital inclusion and lifelong learning; and delivering insights that help governments create effective education and human capital development policies and programs.
5 GENDER EQUALITY	HP's commitment to gender equality starts at the top, with the most diverse Board of Directors of any U.S. technology company. We work to grow the pipeline of diverse talent and to recruit and develop female and diverse talent across all levels of the company. We also use our scale to influence our suppliers and partners, encouraging them to prioritize diversity and inclusion within their own operations.
7 AFFORDABLE AND CLEAN ENERGY	HP is investing in energy efficiency and shifting toward less GHG-intensive energy sources, including on- and off-site renewable power, with the goal of reaching 100% renewable electricity use in our global operations by 2035.
8 DECENT WORK AND ECONOMIC GROWTH	HP believes that 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.
10 REDUCED INEQUALITIES	HP strives to uphold fundamental rights and freedoms of all people. We promote a welcoming, diverse, and inclusive culture and do not tolerate discrimination of any kind. Through leading policies, programs, and partnerships, we aim to promote social and economic inclusion for all people across our supply chain and operations—regardless of race, ethnicity, gender, nationality, ability, military status, religion, generation, sexual orientation, or views.

Goal	HP's contribution
11 SUSTAINABLE CITIES AND COMMUNITIES	Through contributions from HP, the HP Foundation, and our global employees, we aim to make a positive local impact on the communities where HP employees, customers, and suppliers live, work, and do business. We provide financial support for communities affected by natural disasters and emergencies, and work with expert partners to speed recovery and reconnect vital networks. HP employees also contribute their talents, passions, and resources to support inclusive, safe, resilient, and sustainable communities worldwide.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	HP is transforming how we design, produce, deliver, and reuse products to drive progress toward a more efficient, circular, and low-carbon economy. We aim to develop solutions that keep materials in use at their highest state of value for the longest possible time, grow the market for recycled content, and offer robust repair, reuse, and recycling programs for our products worldwide. And, we are investing in disruptive technologies such as 3D printing that will help drive a more sustainable and inclusive Fourth Industrial Revolution.
13 CLIMATE ACTION	We are reducing GHG emissions across our value chain in partnership with our supply chain, through science-based emissions reduction targets for our operations and setting a GHG emissions intensity reduction goal for our product portfolio. We continue to support coordinated global action to combat climate change, including through Paris Climate Accord commitments and as a signatory to We Are Still In. We also support investments into renewable electricity in our operations and within our supply chain.
17 PARTNERSHIPS FOR THE GOALS	HP is committed to driving positive, local impact in the communities where we live, work, and do business. Each community faces different challenges and requires different solutions. By working closely with local partners—corporate peers, nonprofits, local governments and others—we tailor our approach to address the unique needs and challenges of each community to help them thrive.

Recognition

HP is recognized as one of the world's most sustainable companies.

BARRON'S — Ranked 4th on the 2018 list of the 100 Most Sustainable U.S. Companies

Dow Jones Sustainability Indices In Collaboration with RobecoSAM — With 2018 rankings, listed on the World Index for the 7th time in a row

Guia EXAME — HP Brazil recognized for sustainability efforts for 6th time

CR 100 BEST CORPORATE CITIZENS 2019 — Placed 5th in ranking of the world's most responsible organizations—1st in the Climate Change pillar

2018 ecovadis CSR Rating — Received a Gold rating for the 9th consecutive year

Gartner Supply Chain Top 25 — Ranked 7th on Gartner's annual Supply Chain Top 25 list with a perfect 10/10 for efforts in corporate social responsibility

FORTUNE WORLD'S MOST ADMIRED COMPANIES — Rose two spots in the Computer Industry category to 3rd place

KNOW THE CHAIN — Ranked 2nd in 2018 for commitment to address forced labor in the supply chain

DIVERSITY JOURNAL DIVERSITY LEADER — Ranked by *Profiles in Diversity Journal* for the 4th consecutive year

GLOBAL 100 — Named for the 3rd year in a row to Global 100 Most Sustainable Corporations in the World list

ENERGY STAR AWARD 2019 PARTNER OF THE YEAR — Recognized for continued commitment to delivering product energy efficiency for 2nd year in a row

REFINITIV™ DATA IS JUST THE BEGINNING — Ranked 20th overall and 2nd for technology companies on Thomson Reuters 2018 Diversity & Inclusion Index[15]

CDP A LIST 2018 CLIMATE CHANGE / CDP SUPPLIER ENGAGEMENT LEADER 2019 — Named to 2018 CDP Climate Change "A" List for the 5th consecutive year; achieved a spot on 2019 Supplier Engagement Leader Board for the 3rd consecutive year; received a leadership score on CDP's Forest evaluation for the 3rd year in a row

2019 CANADA'S GREENEST EMPLOYERS — Named one of Canada's Greenest Employers for 12th year in a row

LEADING INCLUSION INDEX COMPANY 2018 — Placed among the 31 leading participating organizations

CLEAN200™ — Ranked 5th on the Q1 2019 list, recognizing publicly traded companies that are leading the way with solutions for the transition to a clean energy future

Forbes 2018 AMERICA'S BEST LARGE EMPLOYERS — Named among top Best Large Employers in America in annual ranking

Listed 13th on 2019 Workforce 100 ranking of world's top companies for human resources

Stakeholder engagement

The success of our Sustainable Impact strategy relies on engagement with a range of stakeholders, including employees, investors, suppliers, customers, peer companies, public policy makers, industry bodies, nongovernmental organizations (NGOs), sector experts, and others. These interactions build our collective intelligence, help us prioritize critical issues, and provide insights on emerging opportunities and risks.

Individual functions across the company drive our decentralized approach, engaging in ways that are most relevant to their objectives and operations. These include partnerships, sponsorships, collaboration on industry initiatives, customer and supplier education, supplier capability-building programs, supplier audits and assessments, conference participation, employee surveys, mentoring, and more. We identify appropriate stakeholders based on factors such as expertise, willingness to collaborate, reputation, location, and sphere of influence.

Examples include:

- **Circular economy:** Through the Ellen MacArthur Foundation Circular Economy 100, we collaborate to drive progress toward a more materials and energy-efficient future. See Circular economy.
- **Energy and GHG emissions:** To extend our influence, we join leading companies in goal-setting efforts, including RE100

and WWF Climate Savers. See Footprint.

- **IT for sustainable development:** Working with partners such as the UN Women Global Innovation Coalition for Change, Black Girls Code, and Women Deliver, HP helps to bridge the gender digital divide. See Global education programs.
- **Paper and printed material:** We work with WWF Global Forest & Trade Network—North America, Forest Stewardship Council, and our suppliers to ensure the fiber we use is responsibly sourced. See Paper.
- **Privacy:** Our privacy and government relations teams work with policymakers to support robust and globally interoperable privacy and data protection regulations. See Government relations.
- **Product energy efficiency:** We share our leading practices across the industry, including by contributing to standards development that impact product sustainability. HP serves on the EPEAT® Advisory Council and helped lead the working group to revise IEEE 1680.1, the standard used by EPEAT for PCs and displays, which took effect in 2018.
- **Supply chain responsibility:** As a founding member of Responsible Business Alliance (RBA), we are part of a consortium of companies driving improvements in global supply chains. See External collaboration.

Numerous additional examples are included throughout this report.

Governance

At all levels of the company, starting with our Board of Directors, we embed Sustainable Impact throughout our strategy, policies, programs, and value chain.

The HP Board of Directors' Nominating, Governance and Social Responsibility (NGSR) Committee oversees the company's policies and programs relating to global citizenship and the impact of HP's operations, provides guidance and recommendations to the Board on legal, regulatory, and compliance matters relating to political, environmental, global citizenship, and public policy trends, and reviews the annual Sustainable Impact Report. The Committee receives regular updates on key sustainability metrics and results. Listen to NGSR Committee members talk about Sustainable Impact at HP.

Our executive leadership team, led by our CEO, retains overall responsibility for Sustainable Impact as part of our business strategy. A team of executives, led by our Global Head of Sustainability and Product Compliance, sets HP's Sustainable Impact strategy and drives progress company-wide. These leaders also provide updates to the NGSR Committee and other relevant executive committees.

HP's VP and Global Head of Sustainability and Product Compliance has her performance and compensation directly associated with the management of Sustainable Impact and the achievement of related targets and metrics, both public and internal, including product energy efficiency. Other executives have quarterly goals/metrics tied to our Sustainable Impact strategy—including GHG emissions reduction goals. Several other HP directors and managers have a component of their total compensation (salary and bonus) based on responsibility for, and effective implementation of, corporate initiatives to address climate change.

In 2018, all three of our businesses—Personal Systems, Print, and 3D Printing—developed and approved their own Sustainable Impact strategies. These strategies are being managed and driven by a dedicated team that reports to each business group's executive.

Materiality

We periodically conduct materiality assessments to review relevant environmental, social, and governance topics, reconfirm our long-standing areas of focus, and clarify and shape our Sustainable Impact strategy, investments, and disclosure. This enables us to focus on the areas where we can have the greatest positive impact, determine any gaps, and identify relevant trends and leadership opportunities for our business. We have set aggressive goals related to several of our most material topics, to manage performance and drive long-term progress.

Through our external consultant BSR, in 2017 we engaged experts and leaders from across HP as well as select external topic experts. The process took leading reporting frameworks into account, including the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB) Technology and Communications Hardware Standard. It also used data analytics to assess the importance of non-financial topics to industry peers and regulatory stakeholders.

The resulting matrix maps topics by relative importance to sustainable development and to HP's business success. Items in the four upper-right-hand sections fall above the materiality threshold for the purpose of this report. Topics below the materiality threshold are not covered in as much detail, but remain important to HP. See details about the results and key themes that the assessment uncovered.

Our material issues list includes definitions, corresponding GRI Standards Topics, and the boundary of each Topic.

HP 2017 materiality assessment

Relative importance to sustainable development (vertical axis, Low → High)

Relative importance to HP's business success (horizontal axis, Low → High)

	• Waste • Water	• Circular economy • Energy and GHG emissions • IT for sustainable development • Paper and printed material • Privacy • Product energy efficiency • Supply chain responsibility
• Access to technology • Freedom of expression • Natural disaster relief	• Corporate governance • Intellectual property protection • Packaging • Product transportation • Public policy	• Data and product security • Diversity and inclusion • Ethics and anti-corruption • Health and safety • Transparency, accountability, and reporting
• Executive compensation • Sale and misuse of IT products and services	• Collaborative economy • Responsible marketing • Taxes paid • Workforce reductions and relocations	• Additive manufacturing • Employee development and engagement • Supply chain resilience

Footprint

58 Carbon and climate impact

59 Water

60 Data

The manufacturing, delivery, and use of HP products and solutions requires a substantial amount of natural resources. As part of our commitment to protecting the planet, HP measures our environmental footprint across the value chain to prioritize areas for improvement. We were the first company in the IT industry to publish a full carbon footprint and one of the first to disclose a complete water footprint. Our carbon and water footprints[1] cover our entire global value chain, from suppliers[2] to our operations and millions of customers worldwide. The insights we gain through this process help us to continually improve and create positive and sustainable impact on the planet, our people, and communities where we live, work, and do business.

We have set ambitious GHG emissions reduction goals across the value chain to drive progress. Our first-generation Scope 1 and Scope 2 GHG emissions and Scope 3 GHG emissions intensity reduction goals were validated in June 2017 by the Science Based Targets initiative (SBTi). Based on progress and re-baselining in 2018, we worked with WWF Climate Savers and other specialists to update our science-based Scope 1 and 2 GHG emission target which we have submitted to the SBTi in 2019 for validation.

We also provide suppliers incentives to set and meet their own goals. In 2018, we updated our supplier environmental management criteria to include science-based GHG emissions reduction targets and third-party verification of GHG emissions. To extend our influence within and beyond our industry, we join leading companies in GHG goalsetting and reduction efforts including RE100, CDP Supply Chain, WWF Climate Savers, and the Step Up Declaration alliance launched at the 2018 Global Climate Action Summit.

Carbon and climate impact

We strive to reduce the climate impact of our supply chain, operations, and products and solutions. HP's carbon footprint in 2018 equaled 44,699,600 tonnes of CO_2e, 9% more than in 2017. Growth in PC and printer sales increased emissions in the production and product use phases. These factors offset reductions from design innovation and product portfolio shifts.

See a full list of our GHG emissions reduction goals and progress.

See our full carbon footprint data for 2015–2018 and details about our methodology in the HP carbon accounting manual.

Learn more about how we reduce GHG emissions across our business in Supply chain responsibility: Environmental impact, Our facilities, and Products and solutions.
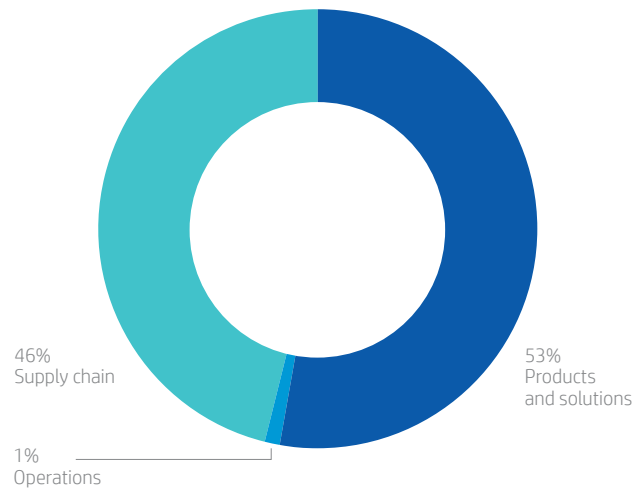
Climate change risks and opportunities

Climate change presents a broad range of risks and opportunities for HP. We follow structured processes to identify and assess those items and have developed programs to address those across our value chain.

Our Board of Directors' Nominating, Governance, and Social Responsibility (NGSR) committee is responsible for overseeing HP's sustainability initiatives, and may review, assess, report, and provide guidance to management and the board regarding HP's policies and programs relating to sustainability issues, including climate change.

2018 carbon footprint
44,699,600 tonnes CO_2e

46%
Supply chain

1%
Operations

53%
Products and solutions

Business processes for addressing climate-related impacts

Identification and assessment[1]	Key risks and opportunities	Management
	Risks	
Enterprise risk management	Transition risks in technology and markets (e.g. product eco-label certifications to meet customer requirements/preferences)	Design for Sustainability program Eco-label certifications
	Transition risks in regulations (e.g., impact of current or potential product energy efficiency regulations or standards as well as carbon and energy taxes)	Regulations tracking and assessment Policy engagement
Business continuity planning (BCP)	Acute physical risks (e.g., impact of extreme weather-related events on HP and supplier operations and transportation infrastructure/networks)	HP Global Resiliency and BCP HP supply chain visualization tool
Product standards and regulations tracking/engagement	Chronic physical risks (e.g., impact of rising sea levels and mean temperatures on HP and supplier facilities, energy consumption, water availability, and workforce productivity)	LEED building standards Water risk assessments Supplier environmental requirements
	Opportunities	
	Business resilience (e.g., increase energy efficiency and use of renewable energy in HP and supplier operations)	Operations energy use, GHG emissions reduction, and sustainability programs/investments Supplier Strategic Energy Management Program and Energy Efficiency Program
Megatrends	Low-carbon/circular product and service innovation (e.g., service-based business models, closed-loop materials use)	Research and development Design for Sustainability Products and solutions portfolio
Materiality assessment	Access to new markets (e.g., manufacturing with 3D printing; publishing and packaging with digital printing)	Research and development Products and solutions portfolio

Water

Many parts of the world grapple with the availability and quality of water, and HP is committed to calculating, disclosing, and reducing water use across our global value chain. In 2018, our water footprint equaled 254,206,000 cubic meters, 8% more than 2017. Business growth and improved data (see Energy efficiency) contributed to increased water consumption in the production and product use phases. These factors offset reductions from design innovation and product portfolio shifts.

See our full water footprint data for 2015–2018 and a description of our methodology in the HP water accounting manual.

Learn more about how we reduce water use across our business in Supply chain responsibility: Environmental impact, Our facilities, and Products and solutions.

Data

Carbon footprint (Scopes 1–3)*

	2015	2016	2017	2018
GHG emissions from operations** [tonnes CO_2e]	388,700	328,400	249,200	229,600
Americas	274,400	174,500	54,700	51,500
Europe, Middle East, and Africa	60,700	60,900	65,700	66,200
Asia Pacific and Japan	53,600	93,000	128,800	111,900
GHG emissions intensity** [tonnes CO_2e/ $ million of net revenue]	7.6	6.8	4.8	3.9
GHG emissions by scope [tonnes CO_2e]				
Scope 1				
Scope 1 emissions, by region	66,900	60,700	66,200	65,900
Americas	54,800	48,700	52,000	48,800
Europe, Middle East, and Africa	10,600	10,100	13,100	15,300
Asia Pacific and Japan	1,500	1,900	1,100	1,800
Scope 1 emissions, by type				
Natural gas	28,800	28,100	29,400	29,300
Americas	23,300	22,600	23,500	22,200
Europe, Middle East, and Africa	4,400	3,900	5,300	5,700
Asia Pacific and Japan	1,100	1,600	600	1,400
Diesel/gas/oil/LPG****	800	200	400	100
Americas	700	200	200	100
Europe, Middle East, and Africa	0	0	0	0
Asia Pacific and Japan	100	0	200	0
Transportation fleet†	32,700	29,600	31,400	32,200
Americas	26,400	23,200	23,700	22,700
Europe, Middle East, and Africa	6,000	6,100	7,400	9,100
Asia Pacific and Japan	300	300	300	400
Refrigerants (hydrofluorocarbons (HFCs))††	1,700	100	400	600
Americas	1,500	0	0	100

	2015	2016	2017	2018
Europe, Middle East, and Africa	200	100	400	500
Asia Pacific and Japan	0	0	0	0
Perfluorocarbons (PFCs)	2,900	2,700	4,600	3,700
Americas	2,900	2,700	4,600	3,700
Europe, Middle East, and Africa	0	0	0	0
Asia Pacific and Japan	0	0	0	0
Nitrous Oxide (N_2O)[tonnes CO_2e]	0	0	0	0
Americas	0	0	0	0
Europe, Middle East, and Africa	0	0	0	0
Asia Pacific and Japan	0	0	0	0
Methane (CH_4) [tonnes CO_2e]	0	0	0	0
Americas	0	0	0	0
Europe, Middle East, and Africa	0	0	0	0
Asia Pacific and Japan	0	0	0	0
Scope 2 (market-based method)†††				
Scope 2 emissions, by region	321,800	267,700	183,000	163,700
Americas	219,600	125,800	2,700	2,700
Europe, Middle East, and Africa	50,100	50,800	52,600	50,900
Asia Pacific and Japan	52,100	91,100	127,700	110,100
Scope 2 emissions, by type	321,800	267,700	183,000	163,700
Purchased electricity for operations	321,800	267,700	182,100	162,400
Americas	219,600	125,800	2,700	2,700
Europe, Middle East, and Africa	50,100	50,800	52,600	50,900
Asia Pacific and Japan	52,100	91,100	126,800	108,800
District cooling and heating (purchased) for operations	0	0	900	1,300
Americas	0	0	0	0
Europe, Middle East, and Africa	0	0	0	0

	2015	2016	2017	2018
Asia Pacific and Japan	0	0	900	1,300
Scope 2 (location-based method)				
Scope 2 emissions, by region	298,200	221,000	265,100	252,300
Americas	206,400	90,900	80,000	71,600
Europe, Middle East, and Africa	39,700	39,000	69,300	61,600
Asia Pacific and Japan	52,100	91,100	115,800	119,100
Scope 2 emissions, by type	298,200	221,000	265,100	252,300
Purchased electricity for operations	298,200	221,000	264,200	251,000
Americas	206,400	90,900	80,000	71,600
Europe, Middle East, and Africa	39,700	39,000	69,300	61,600
Asia Pacific and Japan	52,100	91,100	114,900	117,800
District cooling and heating (purchased) for operations	0	0	900	1,300
Americas	0	0	0	0
Europe, Middle East, and Africa	0	0	0	0
Asia Pacific and Japan	0	0	900	1,300
Scope 3[††††] [tonnes CO$_2$e]	36,250,000	35,860,000	40,770,000	44,470,000
Materials extraction through manufacturing (category 1; also see Greenhouse gas emissions on page 77)	15,300,000	14,700,000	16,500,000	18,600,000
Capital goods (category 2)	200,000	200,000	200,000	200,000
Upstream energy production (category 3)[^]	100,000	100,000	100,000	100,000
Transport (categories 4 and 9; also see Product transportation on page 78)[^^]	1,300,000	1,300,000	1,500,000	1,800,000
Waste generated in operations (category 5)	De minimis[^^^]	De minimis	De minimis	De minimis
Business travel (category 6)[‡]	50,000	60,000	70,000	70,000
Employee commuting (category 7)	200,000	200,000	200,000	200,000
Upstream leased assets (category 8)[‡‡]	De minimis	De minimis	De minimis	De minimis
Processing of sold products (category 10)	De minimis	De minimis	De minimis	De minimis
Product use (category 11)[‡‡‡]	19,100,000	19,300,000	22,000,000	23,300,000
Product end of service (category 12) [‡‡‡]	De minimis	De minimis	200,000	200,000

	2015	2016	2017	2018
Buildings leased to others (category 13)	De minimis	De minimis	De minimis	De minimis
Franchises (category 14)	Not applicable	Not applicable	Not applicable	Not applicable
Investments (category 15)	De minimis	De minimis	De minimis	De minimis

[*] To calculate Scope 1, Scope 2, and Scope 3 emissions, HP has followed the principles outlined in the Greenhouse Gas Protocol. Additional details on calculations and methodology can be found in the HP carbon accounting manual. Taking into account the separation of Hewlett-Packard Company on November 1, 2015, calculation for all years relates to supply chain, operations, and products and solutions associated with the business units that are now a part of HP Inc. HP selected 2015 as its baseline because it provided a year-over-year comparison for HP Inc. when it first reported as a separate company for 2016 following the separation of Hewlett Packard Company in November 2015. 2015 continues to serve as base year for several HP goals as well. This report includes updated data for Scope 1 and Scope 2 GHG emissions from facilities, back to the baseline of 2015, per guidance in the GHG Protocol, to reflect sites that came under HP operational control following the acquisition of Samsung Electronics Co., Ltd.'s printer business on November 1, 2017 (see About our operational data).

[**] Total includes HP's reported values for Scope 1 and Scope 2 market-based method emissions in table.

[***] Emissions-intensity value was calculated using HP's annual revenue as characterized in financial reporting and Scope 1 and Scope 2 GHG emissions.

[****] HP does not estimate or extrapolate diesel use for nonreporting sites.

[†] CO$_2$e emissions associated with CH$_4$ and N$_2$O account for less than 1% of total CO$_2$e emissions in this category.

[††] For 2015 and 2016, we calculated ozone-depleting substances emissions by tracking sites that reported refrigerant replacement due to leakage, and applied an intensity factor (based on those actual quantities) for nonreporting sites. In 2017, HP transitioned to a system that tracks all refrigerant invoices company-wide, directly accounting for facilities' refrigerant leakage and use and eliminating the need for extrapolation.

[†††] Data in this section uses the market-based method. Due to the availability and feasibility of acquiring the data, the company only obtained supplier-specific emission rates for its Boise, Idaho, Indianapolis Indiana, and Palo Alto and San Bernardino, California, United States, sites.

[††††] The 2017 value has been restated compared to the data reported in the HP 2017 Sustainable Impact Report, due to updates to the product use value (category 11). See ‡‡‡ for detail.

[^] Scope 2 GHG emissions used to calculate this category were determined using the location-based method.

[^^] These figures are based on product life cycle assessment-based estimates. They use a combination of HP-specific and industry data, and include additional upstream and downstream transport related to our products, as well as retail and storage. This data may differ from data reported by product transportation suppliers that HP contracts to deliver our products, as presented on pages 78 and 85.

[^^^] De minimis values are less than 0.25% of total Scope 3 emissions.

[‡] HP's global travel agency provides values which take into account the type of aircraft, passenger load, cabin class, and miles traveled for each ticketed trip. This data also includes rail travel carrier and distance traveled. Although these values fall below our quantitative reporting threshold of less than 0.25% of total Scope 3 emissions and could be reported as de minimis, we choose to report this category due to our ability to directly track this data, our level of influence over these emissions, and stakeholder expectations in this category.

[‡‡] All facilities accounted for in Scope 1 and 2. Leased furniture and equipment are included in capital goods (category 2).

[‡‡‡] In 2016, we added commercial and industrial graphics printing solutions, which use large amounts of paper, to our product use footprint calculations. Total GHG emissions from product use in 2017 differs by less than 1% from the value reported on page 126, due to rounding. Total GHG emissions from product use in 2018 differs by less than 1% from the value reported on pages 108 and 126, due to rounding. Data for 2017 and 2018 better reflect average laser printer paper usage. This represented the majority of the increase compared to 2015 and 2016. The 2017 value has been restated compared to the data reported in the HP 2017 Sustainable Impact Report, to improve comparability with 2018. Scope 3 emissions from inkjet and LaserJet printers that HP manufactures for sale and service by other original equipment manufacturers is excluded from this data. In 2018, these printers represented less than 0.7% of HP printers manufactured in the reporting year and consequently, their associated emissions represented less than 0.2% of the product life cycle emissions of all HP manufactured printers. Scope 1 and 2 emissions from the manufacturing of these printers at HP operated facilities is captured in the Scope 1 and 2 data reported in this year's report.

[‡‡‡] HP changed its calculation methodology beginning in 2017 to avoid netted emissions from product recycling.

Water footprint*

	2015	2016	2017	2018
Water consumed by HP suppliers in their operations**[cubic meters]	13,900,000	12,600,000	13,400,000	15,000,000
Water consumption associated with the generation of electricity used by HP suppliers [cubic meters]	34,800,000	31,800,000	34,300,000	38,400,000
Water consumption in HP operations [cubic meters]	3,953,000	3,534,000	3,243,000	3,406,000
Water consumption associated with the generation of electricity used in HP operations [cubic meters]	3,100,000	2,600,000	2,800,000	2,600,000
Water consumption associated with the generation of electricity used by HP products*** [cubic meters]	106,900,000	103,300,000	96,400,000	106,100,000
Water consumption associated with the manufacturing of paper used by HP customers with HP products**** [cubic meters]	46,800,000	52,900,000	84,900,000	88,700,000

 * Taking into account the separation of Hewlett-Packard Company on November 1, 2015, calculation for all years relates to supply chain, operations, and products and solutions associated with the business units that are now a part of HP Inc. Additional details on calculations and methodology can be found in the HP water accounting manual. This report includes updated water and electricity consumption data from operations, back to the baseline of 2015, to reflect sites that came under HP operational control following the acquisition of Samsung Electronics Co., Ltd.'s printer business on November 1, 2017 (see About our operational data).

 ** This metric reports the amount of water consumed by HP's multi-tier supply chain, and not the amount withdrawn by first-tier suppliers as reported in Supply chain responsibility: Environmental impact. Because water withdrawn can also be returned, water consumption is inherently lower.

 *** Indirect water consumption from inkjet and LaserJet printers that HP manufactures for sale and service by other original equipment manufacturers is excluded from this data. In 2018, these printers represented less than 0.7% of HP printers manufactured in the reporting year and consequently, their associated indirect water consumption during product use represented less than 0.7% of the product life cycle water consumption of all HP manufactured printers. Water consumption from the manufacturing of these printers at HP operated facilities is captured in the direct water consumption data reported in this year's report.

 **** In 2016, we added commercial and industrial graphics printing solutions, which use large amounts of paper, to our footprint calculations. Data for 2017 and 2018 better reflect average laser printer paper usage. This represented the majority of the increase compared to 2015 and 2016. The 2017 value has been restated compared to the data reported in the HP 2017 Sustainable Impact Report, to improve comparability with 2018.

Integrity and human rights

Ethics and anti-corruption

We expect everyone at HP to meet the highest ethical standards and to treat others with integrity, respect, and fairness. A complete commitment to our values underpins our efforts, reinforced by in-depth training and communication, and upheld through targeted policies and strong governance.

HP is committed to complying with all applicable laws and regulations everywhere we operate. We require ethical conduct by our suppliers and partners, and use our scale and influence to drive progress across the broader IT industry. See Human rights and Supply chain responsibility.

Ethics

Training and communication

Our annual Integrity at HP training covers key policies, procedures, and high-risk issues that employees might face, and includes content on anti-corruption, conflicts of interest, and privacy. In 2018, we incorporated scenarios based on actual investigations, and provided frontline employees and select partners in higher-risk countries with online and in-person training. During the year, all members of HP's Board of Directors attended a live Integrity at HP training session.

Regular engagement through training, newsletters, a poster campaign at select sites, and coffee talks helps to reinforce Integrity at HP. Integrity Central is a new, comprehensive library of ready-to-use collateral on key ethics topics. It includes the tools and resources necessary to help employees know how to win the right way.

ETHICS TRAINING GOAL

Maintain greater than 99% completion rate of annual Integrity at HP (formerly Standards of Business Conduct) training among active HP employees and the Board of Directors

PROGRESS IN 2018

99.69%

of employees, including senior executives, completed Integrity at HP training, as well as all members of our Board of Directors

During 2018, the Ethics Office launched a four-part video series to improve awareness globally on compliance trends and how to handle ethical dilemmas. The videos, with subtitles in Korean, Chinese, and Spanish, received more than 3,000 views. During the year, the Ethics Office also recognized eight "Ethics Champions," employees who showed outstanding ethical leadership and modeled HP values.

Ethics and compliance governance at HP

Board of Directors*
The Board of Directors is responsible for overseeing ethics and compliance at HP. The board consists of 11 directors and Chip Bergh is the Chairman. All members are independent directors excluding Dion Weisler, President and Chief Executive Officer, HP Inc.

Board of Directors Audit Committee
Provides nonexecutive input and guidance to the Ethics and Compliance Office.

Ethics and Compliance Committee
Composed of HP executives, provides oversight and guidance on the design and implementation of our ethics and compliance program.

Ethics and Compliance Office
(within Global Legal Affairs)
Manages ethical issues across our global operations.

Specific responsibilities include oversight of Integrity at HP, coordination of the company's Compliance Assessment Program, management of anti-corruption and privacy, and the design and management of processes that prevent, mitigate, and remediate all related business impacts.

*As of January 31, 2019.

See Governance for the board's composition, committees and charters, as well as our company bylaws and Corporate Governance Guidelines.

Items reported to HP global Integrity at HP team or other compliance functions in 2018
percentage of total

Total number of reported items in 2018: 161

	2018
Conflicts of interest	20%
Fraud	16%
Human resources	13%
Anti-corruption*	11%
Misuse of assets	11%
Sales channel violations	7%
Confidentiality	6%
Theft	6%
Workplace security	5%
Competition	3%
Financial and public reporting	2%

*Includes allegations of commercial bribery, kickbacks, and Global Business Amenities Policy violations, as well as alleged corruption related to foreign public officials.

Reporting concerns

We make it easy for our employees and third parties to ask questions or report ethics concerns. Reporting avenues include email, an internal online form, a global 24-hour toll-free phone line with translation, mail, or in person. We offer anonymous reporting options where allowed by law. At any time, employees can also reach out to their supervisor or more senior managers under HP's Open Door Policy, seek advice from internal ethics and compliance experts, or consult local Integrity at HP teams or Integrity at HP liaisons. HP does not tolerate retaliation against anyone who raises a concern or question in good faith. In 2019, HP will launch a new ethics case reporting and recording system to improve how concerns are managed.

Investigating concerns

Suspected violations of our code of business conduct damage the trust of customers and other stakeholders. We take all alleged violations seriously, respond quickly, and take disciplinary or remedial actions when appropriate. HP uses a wide range of disciplinary sanctions when dealing with ethical violations. These include additional coaching, written warnings, and termination.

Representatives from our legal, controllership, and human resources teams conduct local investigations. Escalated allegations are passed to a dedicated global integrity investigations team.

HP's investigation process continues to evolve, with improved resources and technology to perform investigation-related functions in-house and deal with concerns promptly. This approach creates new opportunities for employees to discuss concerns outside of formal investigations. Additionally, our new global case management tool, which will launch in 2019, will enable us to identify emerging trends in ethics violations and determine where additional controls may be needed.

Anti-corruption

Corruption disrupts fair competition and is at odds with HP values. We do not tolerate corrupt behavior of any kind, including bribery and kickbacks.

Our Anti-corruption Policy and compliance program require our employees, partners, and suppliers to comply with all applicable national laws and regulations including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act.

Risk assessment and audits

We use internal data and Transparency International's Corruption Perceptions Index to detect high-risk regions, assess risks related to third-party business partners, and then alert the relevant employees. We benchmark our approach against peer companies to identify best practices in areas including operational procedures, employee education, and supplier and partner training and monitoring. In 2018, we adopted new reporting tools to develop more efficient and effective ways to assess and analyze corruption risks.

HP also conducts regular audits focused on potential corruption risks, including audits of our own operations. In 2017, we assessed corruption-related risks across HP's global operations, including a detailed review of the company's global policies and processes applicable to all business units and global functions worldwide. We also conducted risk-based reviews of third parties, including sales intermediaries or "agents," suppliers, lobbyists, and channel partners, focusing on organizations with high-risk profiles.

Training and communication

We deliver comprehensive anti-corruption content to all employees through annual Integrity at HP training. We also communicate year-round to reinforce policies, controls, and training. In 2018, over 18,000 employees completed targeted anti-corruption training, in addition to 17 face-to-face and virtual sessions for select employees. Of this total, 32% were in the Americas, 39% in Asia Pacific and Japan, and 29% in Europe, Middle East, and Africa. These trainings target all employees who may pose a corruption risk to the company, including those that support HP's public sector business.

ETHICS AND ANTI-CORRUPTION (CONTINUED)

More than 3,100 employees (nearly 92% of the relevant employee base) also received training specifically on the requirements of doing business with the U.S. government.

In 2018, HP managed the integration of newly acquired businesses and employees into HP's anti-corruption program, which included online anti-corruption training for over 780 new employees.

We communicate HP's anti-corruption standards and requirements to 100% of our business partners, suppliers, and other third parties such as consultants through contractual terms and conditions as well as our Partner Code of Conduct and Supplier Code of Conduct. Generally, all HP partners and suppliers are required, respectively, to meet HP's Partner and Supplier Codes of Conduct. Partners determined to represent higher risk receive a training in addition. Requirements for mitigating anti-corruption risk associated with charitable giving are communicated to employees through the HP Global Charitable Contributions Policy, and risks are mitigated through the grant-making process.

Human rights

HP's approach to human rights spans our value chain and is embedded in all three pillars of our Sustainable Impact strategy. We champion equal and human rights for everyone we work with so that business and society can thrive.

Policies and programs

Through our policies and programs, we insist that all workers across our value chain have fair treatment, safe working conditions, and freely chosen work.

Protecting, empowering, and fairly rewarding our employees is a core priority. We work to keep our employees safe and healthy, so they can flourish and be at their best. Paying HP employees fairly and equitably, regardless of their gender, race, or other protected characteristics, is equally fundamental to who we are.

Fostering diversity and inclusion is key to our approach and essential to delivering transformational business results. In our workplace, industry, and the communities

where we live, work, and do business, we promote a welcoming, diverse, and inclusive culture and do not tolerate unlawful discrimination or harassment of any kind.

HP recognizes the fundamental importance of privacy, security, and data protection to our employees, customers, and partners worldwide. We strive to provide protections across all our operations that exceed legal minimums and to deploy consistent, rigorous policies and procedures, giving people confidence when sharing information with us and using our products.

Our supply chain responsibility program aims to improve labor conditions within supplier factories, tackle industry-wide challenges such as forced labor and conflict minerals, and build essential skills and capabilities.

Education is a fundamental human right. Our global education programs focus on better learning outcomes for millions through technology, including marginalized and underserved communities. When disaster strikes, we work fast to support recovery by connecting our employees and communities to critical services.

Approach

Governance: Human rights leadership comes from the highest levels of HP. Our CEO has approved HP's Sustainable Impact and Human Rights Policy and signs our

annual public statement about our efforts to eradicate modern slavery. The Nominating, Governance and Social Responsibility Committee (NGSRC) of the Board of Directors oversees human rights within HP, including reviewing the results of the annual human rights assessment and approving HP's modern slavery statements.

Policy commitments

HP strives to uphold the relevant fundamental rights and freedoms of all people across our business, in line with the United Nations (UN) Universal Declaration of Human Rights (UDHR), the UN Guiding Principles for Business and Human Rights, and the UN Global Compact.

The HP Sustainable Impact and Human Rights Policy states our commitment to embedding human rights within our business policies and practices, as well as protecting and upholding human rights in collaboration with our suppliers and partners. It includes our commitment to due diligence, workers' voice and grievance mechanisms, and investigation and remedy of adverse impacts when these arise.

Our company-wide Human Rights Council, established in 2017, further strengthens our management of human rights risks across the company. It is chaired by the head of the Human Rights Office and includes senior management from Ethics and Investigations, Global Indirect Procurement, Human Resources, Privacy, Supply Chain Responsibility, and Technical Regulations. The Council meets twice a year to coordinate on due diligence and performance improvements relating to respecting human rights, and to approve the annual human rights assessment, which includes identification of salient risks and impacts. In 2018, the Human Rights Council approved an initiative to carry out third-party audits of a number of HP offices to expand our monitoring and validate the company's approach.

Training: All employees and members of HP's Board of Directors complete annual Integrity at HP training, helping to strengthen understanding of how we conduct business at HP including related to human rights issues. HP also provides an annual training for relevant procurement staff that covers the context of forced labor and slavery, identification of forced labor conditions, company policies and standards to combat modern slavery, who to contact for help, and how to report related information.

Grievance mechanisms: When violations of our policies and expectations occur, we offer multiple channels for our employees and third parties to ask questions and report concerns without fear of retaliation.

Reporting avenues include email, an internal online form, a global 24-hour toll-free phone line with translation, mail, or in person. We offer anonymous reporting options where allowed by law. Learn more.

Reporting: We monitor emerging human rights expectations and best practices to continue to demonstrate leadership in this rapidly evolving area. We publish information about HP's programs, including our initiatives to combat forced labor and human trafficking (see our Modern Slavery Act Transparency Statement).

Identifying and addressing risk

In 2018, we evaluated eight corporate functions that have a role in respecting the human rights of workers against the appropriate UN UDHR rights. We identified salient risks[1] in our Supply Chain Responsibility, Global Indirect Procurement, Human Resources, and Technical Regulations functions.

Our due diligence process aims to address actual and potential adverse impacts in our operations and supply chain. This process is risk-based and commensurate to the severity and likelihood of the impact. It focuses on three key aspects: embedding responsible business conduct; ceasing, preventing, or remedying the impact; and reporting on implementation and results.

Human rights risks and plans

Salient risks	Approach to risk mitigation and remediation
Supply chain (Supply Chain Responsibility, Global Indirect Procurement) Rights holders: Workers in supply chain, including vulnerable groups such as foreign migrant, student, and female workers	
Forced labor Excessive working hours Unsafe working conditions	• Conduct risk-based due diligence across HP's supplier base • Prioritize suppliers for self-assessment questionnaires, capability building, and onsite audits, and expand those programs • Provide remedy to victims (more than $1.2 million in repayments to over 1,000 workers) • Participate in multi-stakeholder initiatives that develop and encourage responsible labor practices See Supply chain responsibility and our Modern Slavery Act Transparency Statement.
Conflict and forced labor associated with raw materials extraction	• Conduct due diligence • Participate in multi-stakeholder initiatives that develop and promote responsible minerals sourcing • Engage with and encourage smelters to participate in responsible minerals sourcing assurance programs and drive our suppliers to source from those smelters See Responsible minerals sourcing.
HP Human Resources Rights holders: Employees	
Harassment and discrimination	• Advance HP diversity and inclusion training and awareness programs See Diversity and inclusion.
Products and solutions (Technical Regulations) Rights holders: Customers	
Malfunctioning or unsafe products	• Employ rigorous design standards, product testing, certification programs, and auditing • Continue to evaluate HP products to assure they meet our safety standards See Product safety.

The risk mitigation examples summarized in the chart above are intrinsic to our approach. See also Supply chain responsibility for further detail on mechanisms to assess and address risk, including at key trigger points such as onboarding new suppliers.

Collaboration

Our global reach provides us the opportunity to drive human rights progress worldwide. This includes engaging in public forums and multi-stakeholder partnerships, such as:

- Chairing the steering committee of the Responsible Labor Initiative, a cross-industry collaboration of the Responsible Business Alliance focused on workers vulnerable to forced labor.

- Participating in the steering committee of the Leadership Group for Responsible Recruitment, a group promoting sustainable hiring through labor agent training and certification.

- Sitting on the Advisory Board of Social Accountability International, creator of the TenSquared program that improves worker health and safety.

We are committed to complying with all relevant sanctions, restrictions, and embargoes by national governments or international organizations in order to prevent diversion or misuse of our products.

Privacy

HP recognizes the fundamental importance of privacy, security, and data protection to our employees, customers, and partners worldwide. This commitment is a critical pillar of brand trust and increasingly a source of competitive advantage in an era of accelerated innovation, global data proliferation, and fast-changing regulatory frameworks. We build privacy and data protection into the design and development of our products, services, and operations. We strive to provide protections across all of our operations that exceed legal minimums, and to deploy consistent, rigorous policies and procedures, to give people confidence when sharing information with us and using our products. See our Privacy website for additional information.

Approach

Our rigorous policies, standards, and approach aim to keep personal data safe and respect people's privacy:

- Our Privacy Statement describes our commitments in this area.

- We maintain internal policies and standards based on international data protection principles that cover the data life cycle.

- The HP Privacy Accountability Framework outlines our procedures and organizational controls for assessing and managing risks associated with collecting and handling personal data. It is based on requirements for accountability as defined by the EU General Data Protection Regulation (GDPR) and other instruments around the world.

- Our Data Protection Officer, together with HP's Privacy and Data Protection team, provides oversight and leadership for compliance, working closely with appointed privacy leads in business teams throughout the company.

- HP's HIPAA Compliance Office oversees compliance with Health Insurance Portability and Accountability Act (HIPAA) laws where they are triggered by our commercial services engagements.

Privacy training is part of our mandatory Integrity at HP annual refresher course, completed by 99.69% of HP employees in 2018. During the year, we also offered access to online courses that provide additional topic and role-based training opportunities. Starting in 2019, employees granted access to data systems containing high volume or sensitive personal data must take mandatory privacy training.

We continually strengthen privacy protections to meet the requirements of changing regulations and evolving circumstances. This includes implementing enhanced internal policies and procedures to address our obligations as a data controller and processor and to ensure data subject rights are respected.

Privacy by Design

HP's Privacy by Design approach requires that HP products, services, websites, systems, and applications processing personal data be designed and implemented only after thoughtful consideration of privacy implications. HP teams developing or making substantial changes in these areas must have a fully formed development plan; fill out a Privacy by Design questionnaire and provide any follow-up documentation; follow the appropriate documentation requirements based on type of personal data involved; consult with HP Cybersecurity on appropriate security measures, as required; and develop appropriate notice language with the Privacy Office. Our formal review process focuses on privacy as a default setting, incorporating key principles of data minimization, transparency of purpose, and technical and organizational safeguards.

See Product security and privacy.

In 2018, we launched a Privacy Central website and made significant updates to how we handle data subject rights in order to make it easier for customers to engage with us about their data.

To support compliance with the GDPR, we continued to implement new management and record-keeping tools in 2018. During the year, we also continued to strengthen our well-established privacy program by enhancing overall program governance through conducting internal and third-party assurance, formalizing privacy by design, and streamlining privacy impact assessment processes.

Privacy and data protection compliance

HP complies with worldwide privacy and data breach notification laws and regulations, tracks the number of substantiated complaints from third parties, and maintains an internal incident reporting process. Once a potential breach of personal data is identified, a core team that includes representatives from privacy, cybersecurity, legal, and communications, is responsible for the management and communication of potential data breaches, including any commercial or legal obligations to notify customers.

Substantiated complaints regarding breaches of customer privacy and losses of customer data at HP*

	2016	2017	2018
Substantiated complaints from outside parties (including customers)	5	2	4
Substantiated complaints from regulatory or other official bodies	0	2	3

* Breaches of customer privacy cover any noncompliance with existing legal regulations and voluntary standards regarding the protection of customer privacy related to data for which HP is the data controller. Substantiated complaints are written statements by regulatory or similar official bodies addressed to the organization that identify breaches of customer privacy, or complaints lodged with the organization that have been recognized as legitimate by the organization.

Global standards and regulatory environment

The secure movement of data is essential to our business, and as legislation continues to evolve, our privacy and government relations teams work with governments worldwide to develop robust and globally interoperable privacy regulations. See Government relations for more detail.

When developing and updating our privacy program, we consider global and domestic principles and frameworks including:

- Asia-Pacific Economic Cooperation Privacy Framework
- EU Directive 95/46/EC
- EU General Data Protection Regulation
- Madrid Resolution on International Privacy Standards
- Organisation for Economic Co-operation and Development Guidelines on the Protection of Privacy and Transborder Flows of Personal Data
- California Consumer Privacy Act

We are among fewer than 140 companies recognized by the EU for the strength of our binding data protection rules

HP relies on lawful mechanisms for data transfer which it uses to drive accountability across the organization. HP remains among fewer than 140 companies worldwide[1] recognized by EU data protection authorities for our binding corporate rules, reflecting our high standard of data protection policies and procedures and enabling global data transfer within our company. HP is also self-certified under the EU/US Privacy Shield, and we comply with the Asia-Pacific Economic Cooperation's Cross-Border Privacy Rules.

Cybersecurity

In our industry, hostile attempts to acquire personal and financial information are constant. HP works to block these attempts through robust internal controls and external partnerships.

Our Cybersecurity Organization provides and maintains the guidance, governance, processes, resources, and vendor relationships necessary to identify unwanted access, security threats, and cyberattacks, and shield our customer and employee information. HP's IT partners and vendors deliver the technology to protect customer and employee information.

Everyone at HP has a role and responsibility in information security, and we are committed to working across all business groups and global functions to ensure that each person is doing their part. Our information security standards and incident response processes and playbooks support security rigor and apply to a range of evolving industry threats. Our internal Cybersecurity Policy Suite provides a framework for the organization, governance, and implementation of information security across the company. It also informs employees about regulatory requirements, emerging threats, and new security practices, among other items.

HP's Chief Security Advisor (CSA) collaborates with the company's security business unit, R&D team, HP Labs, business

units, product teams, global functions, and Security Advisory Board to advance HP's leadership role in security. The CSA also leads efforts to educate HP and clients about security, conduct security risk assessments, perform analytics to establish security baselines,[2] and create roadmaps to continually improve those baselines.

HP participates in cybersecurity organizations, boards, and/or advisory boards, including IEEE, ISA, ISACA, ISC2, ISSA, NIST, SANS, and others. We conduct and participate in cybersecurity research to continue to uncover and identify cybersecurity trends and risks, and to drive cybersecurity innovation in our products, devices, services, and solutions.

In 2018, we continued working to understand the techniques used by hostile actors, and further improved existing security controls and measures. During the year, HP's

information security management system (ISMS) achieved ISO 27001 certification. We also continue to bring our client services into alignment with ISO 27001, expanding our certification scope more broadly in service offerings such as Managed Print Services and Device as a Service.

During 2018, HP did not experience any cybersecurity events that required disclosure. When incidents do occur, the Cybersecurity Organization responds swiftly and regularly reports related activities to the relevant leadership. A cybersecurity event requires external disclosure if compelled by applicable laws or regulations.

Learn how HP continually enhances HP products, solutions, and services to address product security and privacy.

Government relations

HP advocates for public policies that enable our business to grow and our customers to access our latest innovative technologies. We seek to unleash the potential of the Fourth Industrial Revolution—in ways that will create jobs, spur growth, and promote inclusive innovation and sustainable impact. We advance policies that encourage additive manufacturing with 3D printing, which is expected to disrupt

and redistribute an estimated $4–6 trillion of the global economy in the next five to 10 years.[1] The transformative potential of 3D printing to foster creative industries, revolutionize manufacturing, and drive a sustainable and inclusive Fourth Industrial Revolution can be realized through a policy framework that facilitates adoption, enhances workforce education, and incentivizes public-private partnerships.

Policy priorities

Our global Government Relations team leads our engagement with policymakers, regulators, trade associations, and peer companies to advance public policies that align with HP's interests and values and shape a positive climate for technology innovation. Our policy priorities include:

- Data protection and privacy
- Intellectual property rights
- Market access
- Public procurement
- Security
- Social responsibility
- Sustainability and product compliance
- Taxation and economic incentives

Political engagement

We conduct all political engagements, including contributions to candidates, in a transparent, legal, and ethical manner and in accordance with HP's Political Contributions Policy and code of business conduct, Integrity at HP. Our U.S. Public Sector Code of Conduct guides ethical business interactions with federal, state, and local officials.

Through corporate contributions and the HP Employee Political Action Committee (PAC), we support candidates for elected

office using established criteria, such as site representation and issue alignment. We post detailed lists of HP Employee PAC and corporate contributions twice annually. HP does not make political contributions outside of the United States. We also disclose U.S. lobbying expenditures and membership in U.S. trade associations that engage in lobbying activity.

In 2018, HP made $300,000 in corporate contributions to state and local candidates and groups. HP spent nearly $1.9 million on U.S. federal lobbying, reported quarterly under the Lobbying Disclosure Act. The HP Employee PAC made $87,000 in contributions to federal and state candidates, party committees, and PACs supporting diverse candidates. HP did not make any in-kind political donations in 2018.

In 2018, we earned a perfect score and tied for first place overall among S&P 500 companies in the CPA-Zicklin Index of Corporate Political Disclosure and Accountability.

Supply chain responsibility

Approach

HP relies on one of the IT industry's largest supply chains, made up of hundreds of production suppliers and thousands of nonproduction suppliers.[1] An ethical, sustainable, and resilient supply chain protects our business and brand, strengthens customer relationships, and creates opportunities to innovate.

We insist that all workers receive fair treatment, freely chosen employment, and safe working conditions. To reduce environmental impact, we collaborate with suppliers to decrease GHG emissions, water use, and waste.

The strength of our supply chain responsibility program enables us to meet and exceed customer expectations, in 2018, more than $2.5 billion in new, retained, and potential revenue took supply chain responsibility into account.[2]

For an overview of our management approach in this area, including areas such as risk assessment, policies and standards, continuous improvement, capability building, external collaboration, and reporting, see Our approach to a sustainable supply chain.

Our supply chain is complex, and we work to address a broad range of social and environmental topics.

Supply chain responsibility
Improving the lives of the people who make our products and strengthening the communities where they live and work

| Labor | Health and safety | Responsible minerals sourcing | Supplier diversity | Environmental impact |

Driving Sustainable Impact throughout the supply chain[3]

PRIORITY
Put workers at the center of our program by offering worker leadership and empowerment programs, as well as promoting effective grievance mechanisms and strong two-way communication channels

GOAL
Develop skills and improve wellbeing of 500,000 factory workers by 2025, since the beginning of 2015

PROGRESS

12,000

supplier factory workers participated in 10 programs at 200 supplier sites in three countries, bringing the total to 255,400 workers trained since the beginning of 2015, 51% of the way to our goal[4]

In 2018, the factory participation rate fell slightly compared to our baseline. This reflects changes in the composition of our supply chain in 2018. Shifts in manufacturing led to a reduction in suppliers previously engaged in our program. We will continue to focus on increasing participation—deepening engagement with suppliers who already have strong management systems and coaching smaller spend and sub-tier suppliers to improve the maturity of their sustainability management. Due to activities underway, we anticipate this percentage will increase in 2019.

PRIORITY
Enable suppliers to develop and strengthen their policies, management systems, and mechanisms to take ownership for meeting social and environmental compliance requirements and elevate performance

GOAL
Double factory participation[5] in our supply chain sustainability programs by 2025, compared to 2015

PROGRESS

↓3%

reduction, compared to 2015

We will continue to collaborate with local organizations to strengthen factory workers' awareness and skills, through programs including women's leadership, peer advice, and personal protection. This focus has been integral to our supply chain responsibility program for over a decade.

Transparency

From PCs to printers, HP's unique products require a vast network of suppliers spanning six continents. Approximately 700 production suppliers make the products we sell and several thousand non-production suppliers support our operations. We disclose the names and locations of the production suppliers that represent approximately 95% of our manufacturing spend. Our products are manufactured in countries and territories worldwide, but over half of our manufacturing suppliers are based in the Asia Pacific region.

In addition to this report, we disclose information about our supply chain responsibility and human rights performance through our annual SEC Conflict Minerals Report, Modern Slavery Act Transparency Statement, Report on Cobalt, and CDP Supply Chain disclosures. We also provide tailored supply chain information to our customers and channel partners to help them achieve their supply chain sustainability goals.

External collaboration

HP takes a leading role through collaborations focused on elevating supply chain best practices and tackling shared challenges.

Key relationships include:

- CDP Supply Chain program
- Clean Electronics Production Network
- Green Freight Asia
- Leadership Group for Responsible Recruitment
- National Minority Supplier Development Council
- Responsible Business Alliance
- Responsible Labor Initiative
- Responsible Minerals Initiative
- Social Accountability International
- U.S. EPA SmartWay®
- WWF Climate Savers

Capability building

In collaboration with NGO partners and other external organizations (including some of those mentioned above), we provide the programs listed below at our supplier sites, depending on the maturity level of their policies and programs. Our objective is to help suppliers continually improve along their sustainability journey and advance from compliant, to advanced, to leadership levels.

Leader Programs offered to suppliers that aim for leadership above and beyond HP's requirements, and focus on worker wellbeing.	Examples of trainings and opportunities provided • Zero waste to landfill training • Women in Factories wellness and leadership training
Advanced Programs and trainings aimed at strengthening supplier capabilities in repeat nonconformance areas, and preparing suppliers for continuous improvement and long-term success.	Examples of trainings and opportunities provided • Science-based target trainings (in partnership with CDP) • GHG and energy management training • Participation in HP EHS summit • HP-3M personal protective equipment training
Baseline conformance Programs and trainings intended to bring suppliers up to baseline conformance with HP Supplier Code of Conduct and related standards.	Examples of trainings and opportunities provided • EHS awareness training • Foreign migrant worker training • RBA Code of Conduct training

Labor

We continually deepen our understanding of the social and economic factors that lead to labor concerns, and then focus on areas of risk where we can have the most influence. We collaborate with organizations and government agencies with local expertise to promote long-term, scalable solutions. Our primary focus areas are combating forced labor, protecting workers' rights, and process chemicals.

Combating forced labor[1]

As part of our commitment to addressing modern slavery, we start with our own operations and suppliers while striving to collaborate more broadly in ways that drive positive change. Modern slavery, as defined in guidance under the UK Modern Slavery Act, can manifest itself in different ways, including through debt bondage, forced labor, and human trafficking.[2]

HP is uncompromising in our expectations of ethical behavior by our employees, partners, and suppliers. In our Modern Slavery Act Transparency Statement, we discuss our efforts to address modern slavery during the fiscal year ended October 31, 2018.

Protecting workers' rights

To fully address social and environmental issues in our supply chain, we aim to communicate with workers and management to understand their questions, concerns, and priorities. We train our procurement teams, supplier managers, and other employees to be vigilant and report instances of practices that violate our standards.

In 2018, we collaborated to help ensure that workers understood and acted on their rights. For example:

- Through a large-scale program of coaching, training, and capability building, a small but critical sub-tier component supplier went from having concerning working conditions to reaching a preferred audit score in April 2018.
- Improved communication and longer lead times between HP and one of our final assembly suppliers have led to better scheduling and less volatility, with workers now assigned 8-hour instead of 12-hour shifts. Training has also been conducted to strengthen workers' awareness of the right to refuse overtime without repercussions. Training was held with 450 migrant workers about their rights. The supplier also transitioned temporary workers to direct hire, to improve visibility and avoid discrimination and unfair treatment.

Working with U.S. truckers to fight human trafficking

Truckers Against Trafficking (TAT) sees individual truckers as vital eyes and ears in the fight against human trafficking. TAT helps to combat trafficking in the United States by educating and mobilizing members of the trucking and busing industries and coordinating with law enforcement agencies.

We support innovative and effective initiatives such as TAT to combat forced labor wherever it exists. Most of HP's U.S. trucking vendors have signed up to the TAT initiative, and several are sponsors. We are one of the few shippers that participate directly and are committed to ensuring that all carriers moving HP products in the United States take the training.

Health and safety

HP aspires to a world where our products and operations use materials and chemicals that cause no harm. We take a science-based approach to assessing the potential human health and environmental impacts of substances used in making HP products.

Process chemicals

Suppliers are required to follow the manufacturing process chemical use restrictions outlined in the HP General Specification for the Environment (GSE). Additionally, our Supplier Code of Conduct requires suppliers to employ robust management systems to catalog and evaluate 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 personal protective equipment (PPE) and training. Where chemical substitutions are required, we help suppliers identify suitable alternatives through our alternative materials assessment program. See Materials innovation.

We are a founding member of the Clean Electronics Production Network (CEPN)

Green America program, which has a goal to move toward zero exposure of workers to toxic chemicals in the electronics manufacturing process. This collaborative effort is initially prioritizing challenges related to bonding and cleaning chemicals use in first- and second-tier suppliers in China and Mexico.

In 2018, the safe management of chemicals was a key topic in an environmental, health and safety (EHS) summit hosted by HP in China. Representatives from 68 supplier sites attended. HP presented on EHS case studies, risk assessment, capability-building programs, and shared best practices. During the year, we also held nine events at supplier sites in China. These focused on observed and recurring risks including chemicals management, licenses and systems, fire safety, and PPE and occupational health standards.

Responsible minerals sourcing

Any connection between the materials used in HP products and armed violence or human rights abuses is unacceptable. To ensure our products are made responsibly, we have adopted industry-leading policies and monitoring practices and are broadening our vigilance beyond conflict minerals to a wider range of minerals and geographies. Through collaborative efforts, we aim to expand the market for responsibly sourced minerals, including those originating from conflict-affected and high-risk areas.

Conflict minerals[1]

Across our complex, global, multi-actor supply chain, we have the most influence over our direct suppliers. However, in the case of trace and precious minerals, we recognize that we must work to influence the practices of those much deeper in the supply chain.

Approach

While conflict minerals are rarely used in large volumes in any one IT product or by one company, the 3TG metals produced from them are found in relatively small amounts in virtually all electronic products. However, we are typically 4–10 supply chain stages

removed from the smelters that purchase and process the ore into metals. For this reason, HP works with peers across the IT industry to collectively engage the entire supply chain in efforts to eradicate minerals that may have directly or indirectly supported armed groups and to promote responsible sourcing of minerals regardless of origin.

Eliminating conflict-related risks from our supply chain

Promoting best practices by smelters is the most direct way to address the risk of conflict minerals entering our supply chain. We expect our suppliers to source 3TG for HP products only from smelters that comply with the Responsible Minerals Initiative's (RMI) Responsible Minerals Assurance Process (RMAP), which requires a third-party sourcing audit. Presence on the RMI conformant list demonstrates a smelter's conflict-free status.

However, our relatively small use of these metals decreases our influence, so we need all of industry to demand conflict-free 3TG. We will continue to work with our suppliers and across the industry to drive demand for conflict-free sourcing, regardless of whether the minerals originate in the Democratic Republic of Congo (DRC) or elsewhere.

We promote conflict-free minerals in our supply chain by:

- Encouraging smelters that purchase and process mineral ores to undergo third-party sourcing audits.
- Requiring our production suppliers of goods containing 3TG ("3TG suppliers") 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.

Suppliers

HP sets clear expectations of 3TG suppliers in our Supply Chain Social and Environmental Responsibility Policy (which includes our Conflict Minerals Policy), General Specification for the Environment, and Supplier Code of Conduct. We assess these suppliers' responses to the RMI Conflict Minerals Reporting Template, which gives companies a common format for sharing information about 3TG sources with business partners and suppliers across the supply chain. We request corrective action from suppliers where needed and provide them training upon request. If any 3TG supplier reports sourcing from a smelter that triggers one of our potential risk indicators, we work with the supplier to establish whether unverified material is potentially used in HP products. When we identify a risk of this occurring, we request the supplier to remove the smelter from our supply chain.

If a supplier is non-responsive, we use our procurement leverage to engage the supplier and improve performance. Should the issue persist, we use our sustainability incident management process to drive cooperation with the non-responsive supplier.

Smelters

To identify and disclose the smelters and refiners in our supply chain, between January and December 2018 HP surveyed suppliers which contributed material, components, or manufacturing for products containing 3TG. Each smelter or refiner reported was identified in at least one of the RMI Conflict Minerals Reporting Templates we received.

Performance

In 2018, we received acceptable responses to RMI Conflict Minerals Reporting Templates from suppliers representing about 98% of our 3TG procurement spend, including both final assembly and commodity suppliers. These responses detailed 311 3TG facilities, 89% of which were compliant or in process to become compliant with an independent assessment program, and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources or from outside of the Covered Countries (as of March 2019).

Status of all supplier-reported 3TG facilities*

	2016	2017	2018
▉ Unknown	31	28	35
▉ Believed to source recycled/scrap or from outside the Covered Countries	20	22	19
▉ Compliant or in process**	260	260	257
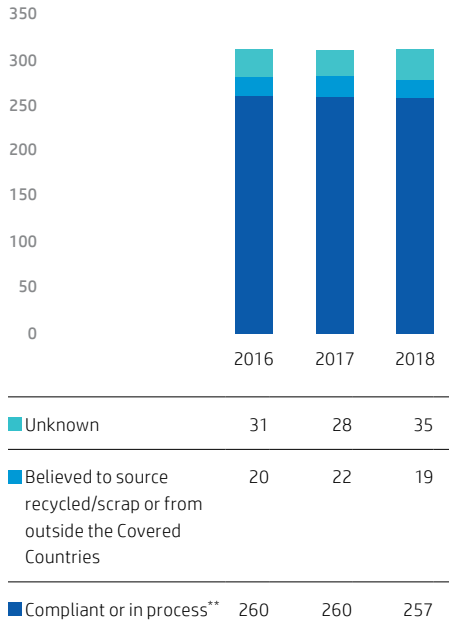
* As of March 2019.

** Smelters or refiners listed by RMI as currently RMAP compliant (including certification or accreditation by similar independent assessment programs cross-recognized by RMAP such as the Responsible Jewellery Council's (RJC) Chain-of-Custody Certification Program, or the London Bullion Market Association's (LBMA) Responsible Gold Programme) or in the process of becoming RMAP compliant.

U.S. Securities and Exchange Commission Conflict Minerals Report

In May 2019, we filed our Form SD and Conflict Minerals Report with the U.S. SEC disclosing our due diligence efforts and results. See our SEC Conflict Minerals Report.

Progress toward DRC Conflict-Free, 2018

Type of facility	Total	Progress toward DRC Conflict-Free*	Percentage
Tantalum	40	40	100%
Tin	80	73	91%
Tungsten	42	40	95%
Gold	149	123	83%
Total	**311**	**276**	**89%**

* Number of total 3TG facilities in HP Conflict Minerals Report 3TG facility list that were either RMAP compliant or in process to become compliant, and/or that we reasonably believe exclusively source conflict minerals from recycled or scrap sources or from outside of the Covered Countries (as of March 2019).

Other regions and minerals

Learning from our experience combating conflict minerals in the DRC and surrounding countries, we are expanding our efforts. This aligns with growing awareness of minerals sourcing issues beyond the DRC and surrounding countries covered by the U.S. Dodd–Frank Act. The EU Conflict Minerals Regulation, which covers EU imports of 3TG minerals from all regions of the world, requires all large EU 3TG metal importers and smelters to become "responsible importers" consistent with the

OECD Due Diligence Guidance. Although HP's operations are not within the scope of the EU regulation, we are aligning our policy and approach to the extent practicable and preparing to support our customers' requirements consistent with the regulation.

We support RMI's work to help refiners and smelters identify conflict-affected and high-risk areas (CAHRAs), including outside of DRC and Covered Countries. We also supported RMI's gap assessment work with the OECD, which led to revised protocols for smelters and refiners that responsibly source 3TG from CAHRAs worldwide.

We have expanded minerals due diligence and reporting to also include cobalt, which has been linked to human rights risks. We ask battery suppliers to confirm they have policies addressing cobalt, to report to HP the cobalt refiners they use, and to encourage these refiners to complete an RMI audit. See our Report on Cobalt.

Multi-stakeholder initiatives

Sourcing minerals responsibly requires global coordinated efforts across sectors and industries. We collaborate widely with businesses, NGOs, government agencies, and our production suppliers to advance the use of responsibly sourced minerals.

Through RMI, we help develop and share trainings, templates, and white papers to build the capabilities of the IT industry and beyond. We also support broader policy efforts through participation in RMI and its Due Diligence Practices Team and Smelter Engagement Team.

Additionally, we collaborate through external forums, including European Partnership for Responsible Minerals, Kemet Partnership for Social and Economic Sustainability, and Public-Private Alliance for Responsible Minerals Trade.

Supplier diversity

Diversity and inclusion is part of everything we do, and our commitment extends beyond our own employees to our engagement with suppliers. Through purchasing decisions and business relationships, we foster greater opportunity, equality, and representation throughout our supply chain and in the communities where we live, work, and do business. Diverse perspectives and experiences drive innovation, fortify our business, and strengthen local economies.

SUPPLIER DIVERSITY (CONTINUED)

In 2018, we continued to develop our Global Supplier Diversity program in the United States and South Africa. We also work with the National Minority Supplier Development Council and Women's Business Enterprise National Council.

We encourage small businesses and companies owned by women, minorities, veterans, service-disabled veterans, LGBTQ+ individuals and aboriginal or indigenous individuals to compete for our business.

To improve the diversity of our suppliers' workforces, we run initiatives such as those with our main advertising agencies and U.S. law firm partners. See Diversity and inclusion for details.

In 2018, we spent $423 million with small companies in the United States and $219 million with minority- and women-owned businesses. See additional data.

Environmental impact

Our production and nonproduction suppliers are essential partners as we work to drive low-carbon and resource-efficient transformation throughout the value chain.

To understand and manage our impacts, we calculate supply chain GHG emissions and water consumption in two ways:

- In this section of the report, we include data reported by our first-tier production suppliers, product transportation suppliers, and nonproduction suppliers. This data reflects the volume of HP's business with each organization. Through engagement with suppliers, we can better understand and influence improvements in performance year over year.

- The data included in our carbon and water footprints are based on product life cycle assessment-based estimates. This analysis is intended to provide as complete an understanding as possible of impacts across the multiple levels of our supply chain, from materials extraction through manufacturing and product use, as well as retail and storage. These calculations use a combination of HP-specific and industry methods and data.

Greenhouse gas emissions

GHG EMISSIONS INTENSITY REDUCTION GOAL

Reduce first-tier production supplier and product transportation-related GHG emissions intensity by 10% by 2025, compared to 2015[1]

PROGRESS

↑**6%**

increase in GHG emissions intensity[2]

Although GHG emissions intensity rose between 2015 and 2017 when calculated as a three-year rolling average, yearly GHG emissions intensity values (not calculated as a rolling average) decreased by 7% during that timeframe. To help reach our goal, we encourage our first-tier production and product transportation suppliers to improve energy efficiency, use renewable energy, and set science-based targets. This goal is part of our suite of GHG emissions reduction goals that are components of our Science Based Targets initiative-validated science-based target. WWF has publicly supported this goal,[3] confirming the rigor of our goals-setting process. Since 2010, HP has decreased first-tier production supplier and product transportation-related GHG emissions intensity by 15%.

GHG EMISSIONS REDUCTION GOAL

Help suppliers cut 2 million tonnes of carbon dioxide equivalent (CO_2e) emissions between 2010 and 2025[4]

PROGRESS

Suppliers avoided

1.16 million tonnes

of CO_2e emissions

Progress on this goal is the result of new and ongoing energy efficiency projects, energy management programs, and renewable energy use motivated by engagement with HP. Combined, these efforts have saved our suppliers $98 million in electricity costs alone.

Production suppliers

Approach

Through our Sustainability Scorecard, we set requirements for our production suppliers. During the year, the Sustainability Scorecard applied to nearly 60% of our production suppliers, by spend. We periodically raise our expectations to motivate ongoing improvement. In 2018, we updated our supplier environmental management criteria to include science-based GHG emissions reduction targets and third-party verification of GHG emissions, as well as transparent reporting of key environmental information, including GHG emissions, energy consumption, and renewable energy use. In 2019, we are adding more suppliers

Supplier GHG emissions performance
tonnes CO_2e

- Production supplier Scope 1 and Scope 2 emissions*
- Product transportation
- Nonproduction supplier Scope 1 and Scope 2 emissions*
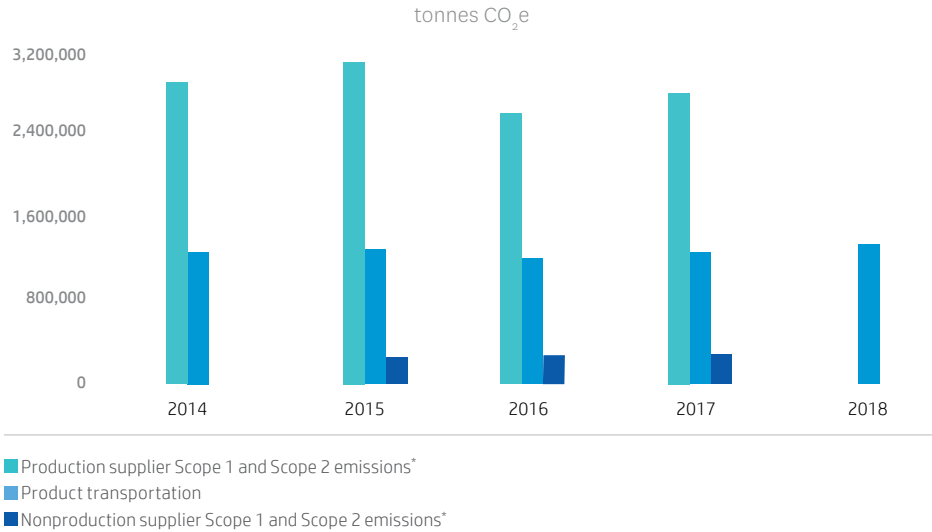
* 2017 is the most recent year data is available.

See additional data and HP's 2018 carbon footprint.

to our scorecard process to extend our engagement further into our supply chain.

During the year, with the help of CDP, we conducted a webinar to educate suppliers on climate science and science-based targets and our expectations in this area. With several other technology companies, we also held a day of training to help suppliers understand environmental changes to the Responsible Business Alliance (RBA) Code of Conduct, including those related to GHG emissions.

In 2018, we completed a three-year pilot of the Strategic Energy Management Program,

in collaboration with Natural Resources Defense Council (NRDC), the China National Institute of Standardization, local agencies, and suppliers in Suzhou. Through this initiative, we collaborated with suppliers to enhance their operations, technology, continuous improvement processes, and overall energy management, and to establish best practices and national guidelines for facility energy management across China's broader IT sector. Two HP suppliers in the program reported combined annual savings of greater than 7,000 tonnes of CO_2e emissions, 500,000 cubic meters of water, and more than $1 million.

Our Energy Efficiency Program (EEP) in China and Southeast Asia, implemented in collaboration with NGOs such as BSR, the World Resources Institute, and WWF, helps suppliers to build capabilities, identify ways to improve energy efficiency, and explore the use of renewable energy. Since 2010, participants in these programs have saved a cumulative $98 million in electricity costs alone, including $7 million in 2018.

Performance

In 2017, the most recent year that data is available, the suppliers that make HP products generated 2.8 million tonnes of Scope 1 and Scope 2 CO_2e emissions attributable to HP, 8% more than in 2016. This reflects business growth, and increased emissions from two of our most significant suppliers due to expanded boundaries of GHG emissions inventory and conservative accounting in the first year for high GHG emissions potential substances in newly installed equipment. Year-over-year data is also affected by generally improved supplier data management and reporting processes.

We engaged 98% of our first-tier production suppliers, by spend, to help reduce their environmental impact. Overall, 94% reported having GHG emissions reduction related goals. We also encourage suppliers to use renewable energy. By spend, 77% reported doing so in 2017, up from 54% in 2016, with 39% reporting renewable energy use goals.

Product transportation

Approach
To improve efficiency, cut costs, and reduce negative environmental impacts, we work to optimize our logistics network by consolidating shipments, identifying new routes, and shipping directly to customers or local distribution centers.

We require our product transportation suppliers to use the Global Logistics Emissions Framework, which we helped develop in 2016 with the Global Logistics Emissions Council, to standardize emission calculations. To drive progress across the industry and beyond, we are working with the Clean Cargo Working Group, Green Freight Asia, the International Air Transport Association, the United Nations Climate & Clean Air Coalition, and the U.S. Environmental Protection Agency (EPA) SmartWay program.

We continue to use SmartWay partners for 100% of our products shipped by truck in the United States and Canada. The program improves road transportation efficiency and reduces GHG emissions.

Performance
Product transportation resulted in 1.3 million tonnes of CO_2e emissions in 2018, up 4% from the prior year, although HP's revenue increased by about 12% during that period. This decrease in GHG emissions intensity

was partly due to an ongoing shift from air to ocean freight. In 2018, we avoided 30,000 tonnes of CO_2e emissions by moving shipments from air to ocean between Asia and the Americas, Europe, and other countries within Asia. Reducing packaging size and weight also decreases emissions. See Packaging.

Nonproduction suppliers

Approach

We source a wide range of goods and services not related directly to product manufacturing, such as staffing, telecommunications, and travel. We collaborate with nonproduction suppliers, based on size and sector, to provide training, improve reporting, and reduce GHG emissions.

Performance

In 2017, the most recent year data is available, our nonproduction suppliers reported 280,000 tonnes of Scope 1 and Scope 2 CO_2e emissions attributable to HP. During that year, the percentage of HP nonproduction strategic suppliers that produced environmental reports increased to 75% from 65% in 2016. We believe this improvement in disclosure is partly due to our engagement with nonproduction suppliers through the CDP Supply Chain program.

Water

Approach

Many of our suppliers operate in regions where water stress is a growing threat. We work with production suppliers to improve water management in their operations.

To identify supplier sites in water-stressed areas, we use water risk assessment tools such as World Business Council for Sustainable Development's Global Water Tool and the World Resources Institute's Aqueduct Water Risk Atlas tool. We also identify sites that manufacture water-intense product types and use this information to assess overall water stress risks and opportunities. We ask our suppliers to report water risk, use, and management information through our CDP Supply Chain membership. This drives suppliers' awareness of water security issues and allows us to assess suppliers' current water management strategies in the context of local environments and communities. We work with suppliers to improve water reporting and, when appropriate, we also work with suppliers to enhance water management practices, through use of best practice frameworks. To further drive improvements, in 2018 we added water stewardship criteria to our supplier Sustainability Scorecard. Suppliers are scored for transparently reporting quantitative water use as well as for having

Supply chain transparency

In 2008, HP was the first major IT company to publish aggregated supply chain GHG emissions data. Through CDP Supply Chain, we engage with our suppliers and promote disclosure of climate and water risks, governance, and performance. Through our Sustainability Scorecard, we require suppliers to provide environmental data through CDP (including GHG emissions and goals, total and renewable energy use, and water withdrawal), to make CDP responses publicly available, and to publish Global Reporting Initiative-based sustainability reports. In these ways, we improve suppliers' awareness of environmental impacts and their ability to track and improve performance.

The Corporate Information Transparency Index, developed by the Institute of Public and Environmental Affairs (IPE) and NRDC, evaluates the environmental practices of global brands' supply chains in China. In 2018, HP ranked #12 of 42 global IT companies and #48 overall, of 312 brands assessed. On the IPE Supply Chain Climate Action Index, HP ranked #8 of 113 brands.

To determine whether our suppliers met local air, water pollution, and waste laws, in 2018 we cross-checked supplier sites representing 95% of our spend against IPE's public database of environmental violations and collaborated with first-tier manufacturing suppliers in China to determine whether sub-tier suppliers complied with local environmental laws. This review of over 500 sub-tier suppliers identified 56 with reported violations. We continue working with the relevant first-tier suppliers and IPE to address and resolve these issues.

Pollutant release and transfer registers (PRTR) involve companies submitting to a public database inventories of substances released. In 2018, HP collaborated with IPE to engage four final assembly sites in China, representing 69% of our final assembly supplier spend, to submit through IPE's PRTR system.

a public company-wide water policy or governance structure for water at the board of directors or top executive level.

Performance

In 2017, the most recent year data is available, production suppliers withdrew 29 million cubic meters of water associated with HP, 6% less than in 2016. This decrease reflects multiple suppliers with improved water efficiency. Stronger supplier water accounting practices also contributed to year-over-year variations in data. By the end of 2017, 92% of our suppliers, by spend, had set water management goals.

See HP's 2018 water footprint.

Waste

Approach

We work with production suppliers to improve waste measurement and reporting, reduce waste volumes, and drive progress toward a circular economy. During 2018, HP participated in the RBA environmental sustainability workgroup to revise the organization's supplier environmental survey. With this revision, HP will be able to engage suppliers on waste management and prevention in greater detail, including landfill diversion.

Performance

During 2017, the most recent year data is available, our suppliers generated 111,000 tonnes of nonhazardous waste associated with HP, an 8% decrease from 2016, and 46,000 tonnes of hazardous waste, an 11% decrease compared to the prior year. These decreases are due to lower waste intensity among many suppliers. By the end of 2017, 59% of our production suppliers, by spend, had set waste-related goals.

Building on a successful zero waste to landfill project in Brazil, we launched a similar pilot project in 2017 at a site of a major supplier in China, with the objective of diverting more than 95% of waste from landfill through reduction, reuse, and recycling. This supplier is scheduled to receive third-party zero waste certification in 2019. We plan to expand this program to additional suppliers in China.

Audit results

Our supplier audit process is an essential component of our risk assessment framework and a key mechanism for identifying opportunities for sustained
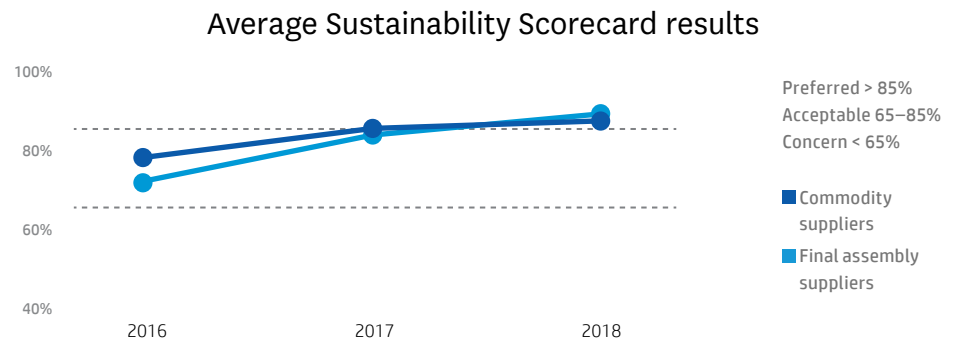
improvement with our suppliers. Supplier audits measure conformance with all provisions of the HP Supplier Code of Conduct in the areas of labor, health and safety, environmental, ethics, and management systems.

In 2019, we will work with our final assembly suppliers to confirm they are auditing companies in their own supply chains that represent approximately 80% of their spend, based on the RBA Code of Conduct. We will review summary findings of those audits, which will further strengthen our understanding of performance deeper in

our supplier base. See Our approach to a sustainable supply chain for detail about the audit process.

In addition to the audit process, we engage with suppliers through coaching, specialized training, and ongoing data collection and conversations that help suppliers develop robust management systems to address root causes. See capability building. We summarize supplier performance across multiple dimensions (including audits) using our Sustainability Scorecard (see below).

Sustainability Scorecards are one of the key ways we incentivize suppliers and drive improved performance. This tool provides suppliers a score that encompasses audit performance (60% of total score), environmental reporting (13%), conflict minerals disclosure (6%), and other social and environmental topics (21%). Suppliers discuss their scorecard with HP as part of regular business performance evaluations that determine ongoing business. In 2018, the average score increased by more than 12 percentage points compared to 2016, despite the fact that we periodically expand scorecard criteria and increase rigor to motivate ongoing improvement. These improvements demonstrate the impact of embedding social and environmental metrics in the procurement process and engaging HP and supplier executives.

Average Sustainability Scorecard results

Preferred > 85%
Acceptable 65–85%
Concern < 65%

■ Commodity suppliers
■ Final assembly suppliers

Sustainability audits and other assessments, 2018*

Initial audits (preliminary risk assessments)	17
Follow-up audits (addressing nonconformances identified in any corrective action plans)	45
Full re-audits (comprehensive re-assessments)	55
Other assessments (focused on specific risks)	
Health and safety assessments	3
Onboarding assessments	8
Vulnerable worker group (student and foreign worker) assessments	12
KPI validation assessments	9
Nonproduction supplier assessments	7
Trucking assessments	4

* Initial audits included 12 production supplier audits as well as five nonproduction supplier audits. The latter focused on the most significant risks in industries such as labor agencies, facilities management, and promotional products. Follow-up audits were all of production suppliers. Full re-audits included 53 production supplier audits as well as two nonproduction supplier audits. Onboarding assessments included five production suppliers as well as three nonproduction suppliers. Nonproduction supplier assessments covered a broad range of areas including management systems, ethics, human rights, and environmental, health, and safety. Trucking assessments addressed risks of forced labor among workers transporting shipping containers between the Port of Long Beach, California, United States, and distribution centers in Long Beach and Los Angeles. This table does not include audits of 41 reuse and recycling vendor facilities in 20 countries conducted during 2018. See Product repair, reuse, and recycling for detail.

Distribution of scores of initial audits and full re-audits

- ■ >160
- ■ 100–160
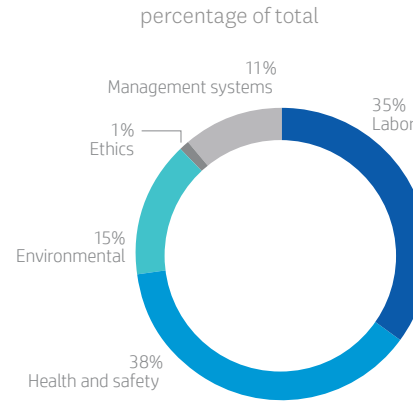- ■ <100
- ● Average score
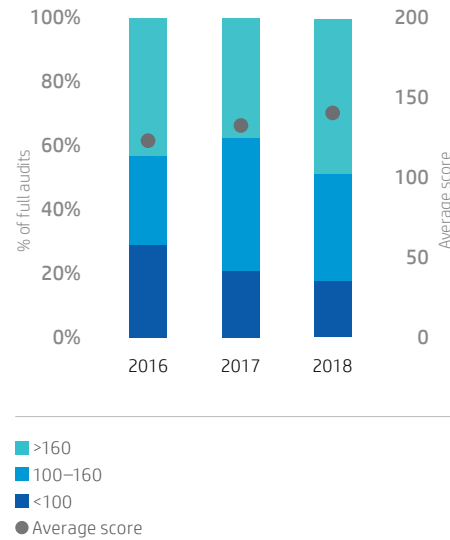
Performance

In 2018, we completed 117 audits and 43 other assessments of production, nonproduction, and product transportation suppliers. During the year, 86% of production supplier audits were third-party certified RBA VAP audits.

We see a wide range of maturity levels in our audits, which are scored on a scale of 0–200. In the RBA Factory LEAD Certification Program, suppliers with scores from 160–180 are eligible for a Silver certification, and scores above 180 for a Gold certification.

Distribution of major nonconformances by section of HP Supplier Code of Conduct, 2018*

percentage of total

- 11% Management systems
- 1% Ethics
- 35% Labor
- 15% Environmental
- 38% Health and safety

* Data is from initial audits and full re-audits of production suppliers conducted in 2018. Due to our two-year audit cycle and changes to HP's supplier base, data typically does not represent the same supplier sites as the previous year.

From 2016 to 2018, the percentage of production supplier initial audits and full re-audits that scored above 160 increased from 43% to 48%. The average score during that period rose from 125 to 142. Twelve of those audits were of final assembly supplier sites. Of these, 42% scored over 160, 42% scored between 100–160, and 16% scored under 100. The other 53 audits were of commodity supplier sites. In 2018, 49% of commodity suppliers scored over 160, 32% scored between 100–160, and 19% under 100.

We periodically increase our expectations of suppliers, so suppliers must continually

improve to maintain a consistent audit score. For example, in 2018 we adopted version 6.0 of the RBA Code of Conduct, which includes requirements related to worker voice and training, pregnant and nursing women, process chemicals, and water management.

Detailed analysis of audit results

A major nonconformance is a significant failure in the management system that affects a company's ability to ensure that conditions conform to the HP Supplier Code of Conduct or General Specification for the Environment. A minor nonconformance is not a systemic problem, but typically an isolated finding. The data in this section focuses on major nonconformances.

Immediate priority findings

Immediate priority findings[1] are the most serious type of supplier nonconformance and require immediate action. In 2018, we identified eight immediate priority findings, equivalent to 0.12 findings on average for each initial audit and full re-audit of production suppliers conducted.[2] Four issues related to charging of recruitment fees, two related to passport and personal document withholding, and two related to fire exits. We required the issues to be

immediately addressed and are working with the suppliers to complete remediation to the workers and implement corrective actions to adjust their management systems.

For audits conducted in 2018, suppliers were in full conformance (no nonconformances identified) for the following provisions: protection of identity and nonretaliation, freedom of association, no improper advantage, and intellectual property. Sixty-five initial audits and full re-audits of production suppliers conducted in 2018 identified 443 major nonconformances, equivalent to 6.8 per audit on average.

Six provisions (see table on right) out of 45 total represented 60% of all nonconformances identified. We focus on these and other areas that have the greatest potential for improvement.

HP requires suppliers to provide a detailed corrective action plan addressing all identified nonconformances within 30 days of receipt of the site audit report (except immediate priority findings, which are addressed expeditiously), and have processes in place to monitor progress and subsequent closure of nonconformances. For details, see the RBA VAP Operations Manual and Our approach to a sustainable supply chain.

Issues with lowest rates of conformance of sites audited, 2016 and 2018*

Issue	Rate of conformance, 2016**	Rate of conformance, 2018**	HP's approach
Working hours	37%	34%	Excessive working hours remains the single largest labor challenge in our supply chain, especially around times of peak production and labor shortages. Workers often voluntarily work long hours to earn more money and suppliers may lack effective management systems in this area. Among suppliers in our KPI program (about 50 at the end of 2018 representing approximately 74,600 workers), 94% met our requirements related to working hours in 2018, up from 92% in 2017. HP is supporting suppliers to improve their forecasting ability, track shifts and working hours more accurately, and hire workers directly instead of by contract. Suppliers have also implemented IT systems to better manage shifts, and some have dedicated lines for student and juvenile workers to facilitate conformance with overtime or night shift requirements. We provide training to student workers and their managers about our requirements and their rights.
Emergency preparedness	42%	51%	Nonconformances in this area involve items such as blocked exit doors, missing or poorly lit exit signs, lack of fire exit instructions, and missing or defective emergency equipment. Most of these can be remedied with straightforward corrective actions. However, sometimes a change takes more time; for instance, replacing all fire exit doors. We supplement our audits with specific health and safety assessments that help us evaluate and improve understanding of our policies and standards.
Occupational safety	55%	55%	Major nonconformances related primarily to presence of current safety permits and first aid response reporting. Suppliers are required to have a tracking mechanism and keep documentation of remediation and compensation provided to workers involved in an incident. A supplier with a nonconformance must also prove that training has been or will be conducted within 180 days.
Wages and benefits	69%	55%	In countries without a set minimum wage, the industry prevailing wage applies. The most common issue in wages and benefits is suppliers not paying appropriate social insurance. More broadly, corrective actions in nonconformances related to wages and benefits include documentation of pay stubs, communication to workers, and records of employer contributions to worker insurance schemes. In 2018, we continued to work directly with suppliers that had nonconformances related to social insurance to help them fully understand our requirements and resolve the issues.
Hazardous substances	65%	71%	Suppliers must properly label and store all hazardous substances in their facilities. Corrective actions may include development of inventory management systems, a list of approved chemicals, use of auditor-verified vendors, and education on legal restrictions related to material use. During 2018, we continued to work directly with suppliers that had nonconformances in this area to help them fully understand our requirements and resolve the issues. We also addressed issues such as process chemicals management through HP and industry capability-building programs, including an environment, health, and safety summit we hosted in China, as well as our collaboration with the Clean Electronics Production Network. See Process chemicals.
Occupational injury and illness	62%	71%	Most nonconfomances relate to lack of documentation (availability and access to medical records, injury logs, doctor visits, etc.), and recent certifications required (valid certificates for occupational health must be made available for review to fully correct nonconfomance). During 2018, we continued to work directly with suppliers that had nonconformances in this area, to help them fully understand our requirements and resolve the issues. We also collaborated with 3M to deliver personal protective equipment and training. Suppliers are required to train all employees on a regular basis and report incidents to HP.

*Data is from initial audits and full re-audits of production suppliers conducted in 2016 and 2018. Due to our two-year audit cycle and changes to HP's supplier base, data typically does not represent the same supplier sites as the previous cycle.

**Percentage of sites with no major nonconformances identified.

Rates of conformance of sites audited, 2016 and 2018*

HP Supplier Code of Conduct section/provision	Rate of conformance of sites audited, 2016**	Rate of conformance of sites audited, 2018**
Labor	84%	83%
Freely chosen employment management systems	83%	80%
Risk of forced labor	95%	82%
Young worker protection management systems	97%	92%
Risk of child labor	100%	98%
Working hours	37%	34%
Wages and benefits	69%	55%
Humane treatment	98%	98%
Nondiscrimination management systems	77%	97%
Risk of discriminatory practices	94%	97%
Freedom of association	87%	100%
Health and safety	72%	76%
Occupational safety	55%	55%
Emergency preparedness	42%	51%
Occupational injury and illness	62%	71%
Industrial hygiene	74%	80%
Physically demanding work	88%	89%
Machine safeguarding	99%	92%
Dormitory and canteen	65%	82%
Health and safety communication	94%	89%
Environmental	85%	88%
Environmental permits and reporting	86%	83%
Pollution prevention and resource reduction	98%	89%
Hazardous substances	65%	71%
Wastewater and solid waste	92%	97%
Air emissions	91%	89%
Storm water management	69%	91%
Energy consumption and GHG emissions	91%	97%

HP Supplier Code of Conduct section/provision	Rate of conformance of sites audited, 2016**	Rate of conformance of sites audited, 2018**
Ethics	94%	99%
Business integrity	92%	98%
No improper advantage	97%	100%
Disclosure of information	95%	95%
Intellectual property	98%	100%
Fair business, advertising, and competition	89%	98%
Protection of identity and nonretaliation	94%	100%
Responsible sourcing of minerals	88%	98%
Privacy	94%	98%
Management systems	88%	94%
Company commitment	95%	98%
Management accountability and responsibility	86%	95%
Legal and customer requirements	89%	97%
Risk assessment and risk management	77%	95%
Performance objectives with implementation plan and measures	83%	94%
Training	94%	95%
Communication	92%	97%
Worker feedback and participation	94%	97%
Audits and assessments	83%	94%
Corrective action process	95%	95%
Documentation and records	95%	98%
Supplier responsibility	71%	72%

* Data is from initial audits and full re-audits of production suppliers conducted in 2016 and 2018. Due to our two-year audit cycle and changes to HP's supplier base, data typically does not represent the same supplier sites as the previous cycle.

** Percentage of sites with no major nonconformances identified. 2016 data refers to the RBA Code of Conduct Audit Protocol 5.0. 2018 data refers to the RBA Code of Conduct Audit Protocol 6.0. In several provisions, such as Risk of forced labor, Health and safety communication, Environmental permits and reporting, Pollution prevention and resource reduction, changes to the code contributed to decreased levels of conformance.

Data

Supply chain responsibility*

	2016	2017	2018
Suppliers publishing sustainability reports using the GRI framework [% of production supplier spend]	86%	82%	88%
Capability building			
Number of capability-building programs	14	15	10
Workers reached through capability-building programs**	45,700	119,900	12,000
Workers' rights			
Suppliers' employees working fewer than 60 hours per week on average***	89%	92%	94%
Suppliers' employees receiving at least one day of rest each seven-day workweek***	96%	98%	98%
Suppliers in China with student workers representing 20% or less of total employees***	98%	100%	99%
Immediate priority audit findings (immediate action required) related to the ILO Declaration on Fundamental Principles and Rights at Work: freedom of association; forced, bonded, or indentured labor; child labor; or discrimination†	2	2	6
Immediate priority audit findings (immediate action required) related to occupational safety, emergency preparedness, or industrial hygiene†	2	0	2
Workers at sites audited†† [total]	96,400	162,300	244,700
Sustainability audits and other assessments [total]			
Initial audits	58	47	17
Follow-up audits	67	39	45
Full re-audits	30	30	55
Assessments	29	34	43
Sustainability Scorecard average score – Commodity suppliers	78%	85%	87%
Sustainability Scorecard average score – Final assembly suppliers	72%	84%	88%
Rates of conformance of sites audited, 2016 and 2018 (see)			

* Data in this table for 2018 is specific to production suppliers, except the following included in Sustainability audits and other assessments: five initial audits, two full re-audits, three onboarding assessments, and seven supplier assessments of nonproduction suppliers; and four assessments of product transportation suppliers.

** With the exception of train-the-trainer programs, HP only accounts for workers directly reached by our capability-building programs. Number of workers reached each year depends on the programs executed; some programs address issues broadly across suppliers and workers; other programs focus more narrowly on individual supplier sites or specific vulnerable worker groups.

*** Based on production-line workers at final assembly and select commodity sites participating in the HP KPI program. We continue to expand the list of suppliers in the KPI program based on business risk, country risk, and identified nonconformances.

† See for detail.

†† These totals are the number of workers as of the date of the site visit according to production supplier initial audit and full re-audit reports. HP's UK Modern Slavery Act (MSA) Transparency Statement for 2017 reported that we had identified 199,432 workers based on audits conducted at many of our suppliers' sites. HP learned, after finalizing its UK MSA, that the reported data overstated the number of workers by inadvertently including audit reports from 2016 in addition to 2017. In 2017, there were 162,300 workers at the sites for which we are reporting audit performance information in this report.

HP's spend with U.S. diverse suppliers* [$ millions]

	2016	2017	2018
HP's spend with U.S. diverse suppliers* [$ million]			
Small businesses	$1,065	$647	$423
Minority-owned businesses**	$190	$132	$140
Women-owned businesses**	$159	$98	$79
Veteran-owned businesses, service disabled veteran-owned businesses, HUBZone businesses, and others***	$53	$27	$20

* Data is for the 12 months ending September 30 of the year noted. Figures for 2016 are for purchases in the United States, Puerto Rico, Canada, Europe, and Asia, from U.S.-based businesses, and include one month of spending from before the separation of Hewlett-Packard Company on November 1, 2015. Figures for 2017 and 2018 are for purchases in the United States and Puerto Rico from U.S.-based businesses.

** Suppliers are categorized as minority-owned or women-owned, not both. These categories include all sizes of businesses.

*** These categories include all sizes of businesses.

Environmental impact#

	2014	2015	2016	2017	2018
First-tier production supplier and product transportation-related GHG emissions intensity*, ** [tonnes CO_2e/$ million of HP net revenue]	71.9	75.9	78.8	80.4	
Production supplier GHG emissions*** [tonnes CO_2e]					
Scope 1 and Scope 2 emissions**	2,900,000	3,100,000	2,600,000	2,800,000	
Scope 3 emissions**,****	14,600,000	9,800,000	11,500,000	7,800,000	
Production suppliers with GHG emissions reduction-related goals [% of spend]	95%	93%	94%	94%	
Product transportation GHG emissions† [tonnes CO_2e]	1,260,000	1,280,000	1,200,000	1,250,000	1,300,000
Road (includes rail)	330,000	330,000	350,000	350,000	410,000
Ocean	230,000	200,000	150,000	160,000	180,000
Air	700,000	750,000	700,000	740,000	710,000
Nonproduction supplier Scope 1 and Scope 2 emissions**,†† [tonnes CO_2e]		240,000	270,000	280,000	
Production supplier energy use ††† [MWh]			6,400,000	5,500,000	
Production supplier renewable energy use [% of total energy use]			15%	22%	
Production suppliers that reported using renewable energy** [% of spend]	10%	47%	54%	77%	
Production supplier water withdrawal for use**,†††† [cubic meters]	40,000,000	44,000,000	31,000,000	29,000,000	
Production suppliers with water-related goals [% of spend]	74%	80%	80%	92%	
Production supplier nonhazardous waste generation**,^ [tonnes]	123,000	121,000	121,000	111,000	
Production supplier hazardous waste generation**,^ [tonnes]	45,000	48,000	51,000	46,000	
Production suppliers with waste-related goals [% of spend]	59%	57%	62%	59%	

In some cases, data from prior years are updated to reflect improved data, for example revised supplier information.

* 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. Taking into account the separation of Hewlett-Packard Company on November 1, 2015, calculation for all years uses HP revenue and spend associated with the business units that are now a part of HP Inc. The year 2017 is the most recent for which data is available.

** We believe that variation in this data reflects both changes in actual performance and inconsistency in reporting practices.

*** Emissions are calculated based on suppliers' reported emissions and their dollar volume of HP's business compared to their total revenue. Data reported here reflects extrapolation to 100% of first-tier production suppliers. Data collected for 2017 represented 95% of HP production spend. The World Resources Institute defines Scope 1, 2, and 3 GHG emissions in its Greenhouse Gas Protocol. This data differs from the product life cycle assessment-based estimates for materials extraction through manufacturing presented on page 61, which are based on a different calculation methodology and use a combination of HP-specific and industry data. Taking into account the separation of Hewlett-Packard Company on November 1, 2015, calculation for all years uses production spend associated with the business units that are now a part of HP Inc. The majority of these companies report on a calendar-year basis. The year 2017 is the most recent for which data is available.

**** Suppliers may not report all Scope 3 categories, although the number of categories reported by many suppliers has increased over the last few years.

† The figures for product transportation GHG emissions are based on data reported by product transportation suppliers that HP contracted to deliver products (for years prior to 2016, before the split of Hewlett-Packard Company, calculations are adjusted to reflect emissions attributable to HP's current business units). They may differ from the product life cycle assessment-based estimates presented on page 61 which are based on a different calculation methodology, use a combination of HP-specific and industry data, and include additional upstream and downstream transportation related to the company's products, as well as retail and storage.

†† Emissions are estimated based on suppliers' emissions and their dollar volume of HP business compared to their total revenue. The majority of these companies report on a calendar-year basis. The year 2017 is the most recent for which data is available. Data reported here reflects extrapolation to 100% of strategic nonproduction suppliers. Data collected for 2017 represented 48% of HP nonproduction spend. Accounting for the separation of Hewlett-Packard Company on November 1, 2015, the calculation uses nonproduction spend associated with the business units that are now part of HP Inc. In cases where spend for 2015 cannot be disaggregated, 2016 spend is used as an estimate.

††† Total energy includes purchased energy (electricity, etc.) and generated energy (fuel use, etc.). Energy use data is calculated based on suppliers' reported energy use and their dollar volume of HP's business compared to their total revenue. Data reported here reflects extrapolation to 100% of first-tier production suppliers. Data collected for 2017 represented 93% of HP production spend.

†††† This metric reports the amount of water withdrawn by suppliers, not the amount consumed by our multi-tier supply chain as reported in our water footprint on page 62. Because water withdrawn can also be returned, this footprint is inherently larger. Refers to first-tier suppliers for manufacturing, materials, and components. Withdrawal is estimated based on suppliers' reported water withdrawal and their dollar volume of HP business compared to their total revenue. The majority of these companies report on a calendar-year basis. The year 2017 is the most recent for which data is available. Data reported here reflects extrapolation to 100% of first-tier production suppliers. Data collected for 2017 represented 91% of HP production spend, compared to 94% the prior year. Taking into account the separation of Hewlett-Packard Company on November 1, 2015, calculation for all years uses production spend associated with the business units that are now a part of HP Inc.

^ Waste data is estimated based on suppliers' waste data and their dollar volume of HP business compared to their total revenue. The majority of these companies report on a calendar-year basis. The year 2017 is the most recent for which data is available. Data reported here reflects extrapolation to 100% of first-tier production suppliers. Data collected for 2017 represented 66% of HP production spend for nonhazardous waste and 66% for hazardous waste, compared to 65% and 55% the prior year. Taking into account the separation of Hewlett-Packard Company on November 1, 2015, calculation for all years uses production spend associated with the business units that are now a part of HP Inc.

Operations

Our employees

Every day, HP's approximately 55,000[1] employees shape our future and bring our vision to life. They power our innovation, contributing unique perspectives and a growth mindset to create breakthrough technologies and transformative solutions. We are committed to fostering a diverse and inclusive workplace that attracts and retains exceptional talent. Through ongoing talent development, comprehensive compensation and benefits, and a focus on health and safety and employee wellbeing, we help our employees succeed so they can do their best work, every single day.

Diversity and inclusion

Innovation at HP springs from people bringing their whole selves to work, collaborating and contributing their varied perspectives, knowledge, and experiences. Diverse teams create transformative solutions that better serve our customers and advance how the world works and lives. To find and keep the very best people, we embrace and celebrate difference, and take a stand for equity and belonging.

Diversity is a fundamental part of who we are and everything we do. Our commitment extends beyond our own employees to our

relationships with suppliers, partners, and communities worldwide. We aim to remove bias and barriers, and connect people to the power of technology by addressing accessibility and aging challenges in our products and services. Respecting human rights is a core value at HP, and we are uncompromising about the rights, freedom, and equity to which everyone is entitled. We are proud of our progress and the recognition we have received.

A strong policy framework supports our efforts and includes our Global Nondiscrimination Policy, Global Harassment-Free Work Environment Policy, and Open Door Policy. We also support the Human Rights Campaign's Business Coalition for the Equality Act related to LGBTQ+ workplace rights, and the United Nations Human Rights Office Standards of Conduct for Business.

See employee demographics data.

Our commitment starts at the top

HP's Board of Directors is the most diverse of any U.S. technology company. We are also among the top technology companies for women in executive positions. Women represent 31.3% of the company's full-time vice president positions, up from 18.3% in 2015,[2] and 30.3% of full-time directors, compared to 22.7% in 2015.[3,4]

Our Global Diversity Advisory Board (GDAB) is composed of leaders from across our regions,

functions, and businesses. It helps influence and drive our strategy and hold our leaders accountable to action. In 2017, the GDAB engaged with stakeholders across business groups and regions to establish strategic priorities and build teams at the business and local levels to accelerate progress.
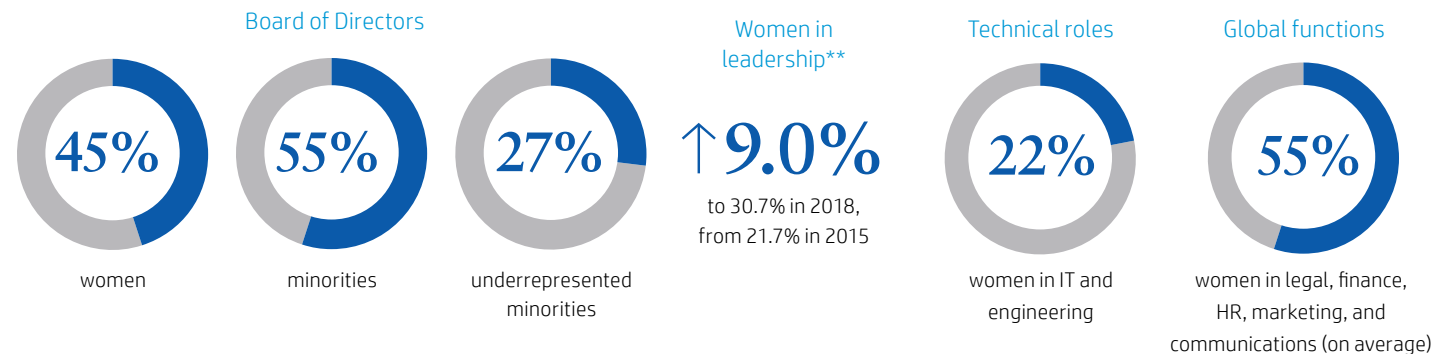
Diversity and inclusion is a key part of leadership discussions, and is a standard item on leadership quarterly business reviews. We are committed to increasing representation of women overall, as well as in leadership and technical roles globally, and of minorities in the United States. We are also expanding our efforts related to representation of employees with disabilities, and in 2016 HP committed to hiring 150 veterans or military spouses over the course of five years. Through 2018, we achieved 77% of that amount.

HP demographics*

Board of Directors

45% women

55% minorities

27% underrepresented minorities

Women in leadership**

↑**9.0%** to 30.7% in 2018, from 21.7% in 2015

Technical roles

22% women in IT and engineering

Global functions

55% women in legal, finance, HR, marketing, and communications (on average)

* Board of Directors data is as of January 31, 2019. Other data is as of October 31, 2018.

** Full-time employees only, director level and above.

In 2017, our CEO took a pledge as part of the CEO Action for Diversity & Inclusion (the largest CEO-driven business commitment to advance diversity and inclusion in the workplace) on behalf of HP.
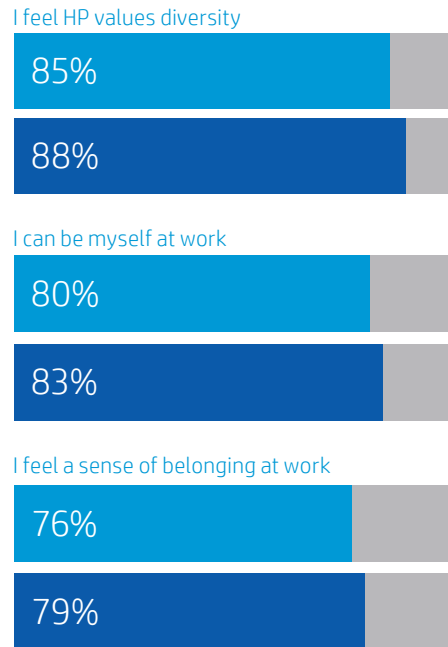
Embedding diversity and inclusion across HP

Our Belong, Innovate, and Grow (BIG) strategy embeds diversity and inclusion across all parts of our businesses and functions, and into talent acquisition and development, culture, mentoring, training, and events. This year, about 350 employees attended events run by the Belong at HP development and sponsorship program. In 2017, we launched business-level diversity oversight across the company.

As of April 2019, we have more than 100 Business Impact Networks (BINs) in 26 countries, open to all employees and representing the following constituencies: Black/African American, Disabilities, Hispanic/Latino, LGBTQ+, Multicultural, Pan Asian, Veterans, Women, and Early Career. About 13,000 BIN members participated in events in 2018.

In addition to leading many community outreach programs, BINs promote diversity in pipeline development, local hiring, talent programs, and mentoring. They leverage our global diversity strategy to execute campaigns such as International Women's

Employee survey results*
Diversity and inclusion

I feel HP values diversity

85%

88%

I can be myself at work

80%

83%

I feel a sense of belonging at work

76%

79%

■ 2017
■ 2018

* Data refers to the percentage of HP 2017 and 2018 Voice Insight Action (VIA) employee survey respondents who strongly agreed or agreed with each statement.

Week and ALLIES@HP, a workshop for LGBTQ+ allies that launched as part of our HP Pride Month initiatives.

Overcoming unconscious bias

We want HP to be the employer of choice among talented women and underrepresented groups. We continued expanding the

Reinvent Mindsets video series, which shines a light on unconscious bias through the lens of women and underrepresented groups. In November 2018, we broadened the campaign to include veterans.

About 740 employees completed our unconscious bias training program in 2018, including 38 VPs across six countries. This year, we advanced our unconscious bias training materials to move from awareness to action, focusing on disrupting bias across all levels of the organization, and we continued our efforts to reach all recruiters and leaders within HP. For example, before opening a job requisition, all hiring managers were required to watch a short video on diversity and inclusion. To complement our classroom session, we plan to launch a web version of the video to provide employees worldwide easy access.

Raising standards and practices across the marketing industry

We encourage our suppliers and partners to prioritize diversity and inclusion within their own operations. In 2016, we challenged our top five U.S.-based marketing agencies to significantly increase the number of women and U.S. minorities in top creative and strategic planning roles on HP account teams. During the year, all five agencies reported progress.

Moving forward, we will continue to challenge our marketing agency partners to identify underrepresented groups in order to set

Marketing agencies: HP account teams diversity progress
percentage of total

	2017	2018
Overall HP account team		
Women	61%	62%
Underrepresented minorities	24%	36%
Overall HP account senior roles*		
Women	51%	55%
Underrepresented minorities	19%	28%
Non account resources		
Women	45%	58%
Underrepresented minorities	33%	36%

* Senior roles are defined as: creative directors and above (creative department); chief strategy officer, heads of account planning, group planning directors (planning department); senior account directors and above (account management); group executive producers and above (production department); department heads and above (all other departments).

specific goals, plans, and measurement that help increase diverse creative talent across HP account and senior leadership roles.

See the HP Agency Diversity Scorecard, Business Powered by Diversity.

Promoting diversity with our legal partners

Our legal team is also focused on improving diversity among our U.S. law firm partners and withholds up to 10% of all invoicing of those partners who fail to meet or exceed diverse minimal staffing on work for us.

Law firms were asked to staff at least one underrepresented minority or one woman partner and one racially/ethnically diverse attorney, each performing at least 10% of the billable hours on HP business. Firms are required to track and share data quarterly. Eighty-eight percent of participating firms met the diversity requirements in 2018, and women represented 44% of team members—up from 23% at the beginning of 2017.

The number of underrepresented minority partners increased to 25% in 2018, up from 21% at the beginning of 2017, and the number of hours billed by diverse attorneys increased each quarter.

In our communities

We continue to engage with several leading industry organizations and conferences that promote women, minority, veteran and LGBTQ+ representation and causes in technology, including Professional Business Women of California, Grace Hopper Celebration (United States and India), the European Women in Technology Conference, Out & Equal, and others. Our people often provide thought leadership by delivering keynotes, leading workshops, and participating on panels.

Our Women in Technology website features employee stories that illustrate how our culture supports and inspires women in technical roles throughout their careers and lives. To inspire more girls and minority students to consider science, technology,

engineering, and mathematics (STEM) careers, we also grew our participation in the Hour of Code initiative, and we maintained our partnerships with organizations such as the AnitaB.org, Black Women in Computing, Breakline, and the YWCA.

In 2017, we launched the HBCU (Historically Black Colleges and Universities) Business Challenge, a business school competition, with the National HBCU Business Deans Roundtable. Eighty-five schools were invited to participate, providing students the opportunity to develop solutions to real HP business problems while gaining hands-on industry experience, and a chance to win prizes including premium technology. In its inaugural year, we congratulated winning teams from Delaware State University and Xavier University of Louisiana, and in 2018, from the University of the Virgin Islands. This program also served as a means to help build our pipeline. Since 2017, we've brought on six summer interns from the HBCU challenge, two of whom were offered and accepted full-time positions at HP.

Employee engagement

HP's culture is fueled by our people. We support our employees to develop lasting and fulfilling careers and to make meaningful contributions to their teams, the company, and their communities.

During the year, we continued to drive engagement in three focus areas:

- **Improving the way we work**: Enhancing tools and processes to increase employee productivity and effectiveness.
- **Developing our people**: Bolstering learning and development programs that maximize career growth opportunities.
- **Building our future**: Driving innovation, agility, and employee alignment with HP's strategy and direction.

We regularly collect feedback to better understand and improve the employee experience and identify opportunities to continually strengthen our culture. In 2018, 94% of employees participated in our annual Voice Insight Action (VIA) survey. Overall, employee engagement was at 73%, up from 67% in 2017 and 60% in 2016, reflecting improvements in all regions.

Employee survey results* Sustainable Impact

HP is socially and environmentally responsible

87%

89%

I see HP values being demonstrated throughout my business unit/global function every day

73%

77%

■ 2017
■ 2018

* Data refers to the percentage of HP 2017 and 2018 VIA employee survey respondents who strongly agreed or agreed with each statement.

Greatest improvements in 2018 Voice Insight Action survey*

	Percent favorable			Improvement in percentage points vs. 2017
	2016	2017	2018	
We are quick to invest in new ideas that will drive future success	37%	44%	56%	+12
My performance has a significant impact on my total compensation	53%	51%	62%	+11
I receive appropriate recognition (beyond my pay and benefits) for my contributions and accomplishments	53%	54%	61%	+7
My immediate manager encourages me to develop innovative solutions that will improve the organization's performance	69%	73%	81%	+8

* Data refers to the percentage of HP 2016, 2017, and 2018 VIA employee survey respondents who strongly agreed or agreed with each statement.

Talent development

At HP, our ongoing success depends on enabling our diverse workforce of skilled employees and maintaining a strong leadership pipeline. We encourage a mindset of continuous learning and help employees to develop their careers. Employees have access to a wide range of development opportunities, including face-to-face and virtual, social, and collaborative learning, self-directed content, mentoring, coaching, and support for external academic programs.

Growth mindset organization

HP is a company of high-performing people, who are well prepared, constantly learning, and want the business to excel. Through a growth mindset, employees work on continuous improvement, innovation, and maintaining a workplace that drives progress and growth. We make significant investments in the development of employees, leaders, and top talent, with a specific focus on:

• Developing a strong pipeline of innovative and inclusive leaders

• Delivering programs that support career advancement for employees across all regions

• Building a high-performance culture through leadership development at all levels

• Developing an organization that delivers on strategic priorities, inspires team performance, and enables employees to innovate

• Providing employees with cutting-edge and highly collaborative learning environments

Our corporate culture fosters innovation by creating conditions that support risk-taking and failure. We learn from mistakes to drive breakthroughs and we focus as much on how employees work together as what they accomplish. In our 2018 VIA survey, 78% of employees stated that their team shares ideas and learns from failure.

We advance employees' skills through frequent, consistent, and engaging conversations between employees and managers: 79% of employees stated that their manager is focused on developing employees' capabilities and supporting ongoing performance improvement. These interactions are reflected in employees'

annual development plans, and result in ongoing development experiences, stretch projects, and advancement to new roles.

With support from human resources, leaders provide comprehensive performance summaries annually and allocate differentiated rewards based on performance and available funds.

In 2018, 97.5% of employees took part in learning and development activities. Employees achieved 1.91 million recorded learning sessions, which totaled 1.66 million hours (up 20% compared to 2017), equivalent to an average of 30 hours per employee.

During the year, managers provided performance input to 99% of eligible employees. Seventy-eight percent of employees stated that they received valuable feedback throughout the year that enabled them to improve their performance. In addition, 81% of employees felt encouraged by their manager to develop innovative solutions that will improve HP's performance.

Compensation and benefits

HP offers a comprehensive Total Rewards package that is both performance based and market competitive. Total Rewards include salaries, bonuses, incentive programs, and a range of benefits. These are designed to meet our employees' diverse needs while enhancing their wellbeing and that of their families. Valuing and rewarding employees drives higher engagement and better performance and helps us attract and retain top talent. Compensation and benefits are reviewed annually for market competitiveness.

HP sponsors a global wellness program designed to enhance physical, financial, and emotional wellbeing for all of our employees around the world. Other benefit programs vary by country to reflect local market practice and employee needs. Depending on location, these may include:

• Retirement and savings plans

• Healthcare benefits

• Insurance protections (e.g., life and disability)

• Time-off programs (vacation, holidays, parental leaves, etc.)

• Discount programs

• Flexible work arrangements

• Stock purchase plan

• Other benefits

HP is committed to pay equity

Treating HP employees fairly and equitably is core to who we are. It also benefits our business, by helping HP attract and retain brilliant people in a fiercely competitive market for talent. We believe people should be paid for what they do and how they do it, regardless of their gender, race, or other personal characteristics. Learn more about our approach and performance in 2018.

Executive compensation

The HR and Compensation Committee discharges the HP Board of Directors responsibilities related to the compensation of our executives and directors and provides general oversight of our compensation structure, including our equity compensation plans and benefits programs. See page 31 of the HP 2019 Proxy Statement for detail.

In accordance with U.S. Securities and Exchange Commission rules, we recently reported our CEO pay ratio for the first time. Our CEO's annual total compensation for fiscal 2018 was $19,215,534. Our median employee's annual total compensation was $79,719, resulting in a CEO pay ratio of 241:1. For more detail, see page 62 of the HP 2019 Proxy Statement.

Health and safety

We strive to keep our employees safe and healthy so they can do their best work. We monitor injury trends regionally and worldwide, and regularly highlight national and international health advisories to the relevant teams. Our environmental, health, and safety (EHS) leadership team uses our global injury and illness reporting system to assess trends as a part of quarterly reviews. Supervisors of affected employees are required to complete injury and illness investigations for all reportable incidents and work with EHS points of contact to assess serious or complex cases.

Worldwide, we maintained below-average accident and injury rates in 2018, with a lost workday case rate of 0.09 and a recordable incidence rate of 0.23.[5] These compared to 2017 average rates of 0.2 and 0.6, respectively, in the U.S. Computer and Peripheral Equipment Manufacturing industry (NAICS Code 33411).

Our manufacturing facilities continue to represent our most significant health and safety risks, due to higher potential exposure to chemicals and machinery-related hazards. Managing and reducing risks at these plants remains a focus, and injury rates continue to be low.

See more information about our environmental, health, and safety management system.

See Data.

Wellbeing

The physical health, financial wellbeing, and life balance of our people is vital to HP's success. Our Well Beyond employee wellbeing program is designed to serve the needs of our evolving workforce and culture.

Year-round employee engagement emphasizes ongoing actions that can help individuals build healthy behaviors into day-to-day life. Employees can track progress, challenge peers and spouses/domestic partners, and personalize the program by setting their own goals. Depending on location, U.S. employees and spouses/domestic partners can each receive incentives of up to $550 a year for activities such as completing a wellness assessment or making a tobacco-free pledge.

As of October 2018, 72% of eligible employees in the United States, and 50% worldwide, had joined the Well Beyond program.

Highlights from 2018 included:

- **Physical health**: We recorded 25 billion employee steps through our Well Beyond platform worldwide, equivalent to more than 12 million miles.
- **Financial wellness**: More than 2,000 employees took part in Financial Wellness Month at our U.S. sites. Local seminars delivered information on topics such as 401(k) savings, emergency funds, debt reduction, investments, and budgeting.
- **Life balance**: We offered meQuilibrium, a U.S. program that helps employees build general resiliency skills, including our monthly "Calm-Cast."

Our facilities

At our 177 sites in 59 countries around the world, we are reducing greenhouse gas (GHG) emissions, energy and water consumption, and waste generation. While GHG emissions associated with HP's operations represent just 1% of our carbon footprint, it is the area where we have the greatest control. Modeling sustainable operations also helps us to illustrate the change we wish to see in our industry and beyond.

Environmental, health, and safety management

HP owns and leases facilities around the world. Our Environmental, Health, and Safety (EHS) Policy and EHS management system help limit our environmental impact, improve worker safety, meet internal standards, and comply with all applicable laws and regulations. We investigate all allegations that our facilities failed to comply with applicable laws and take corrective action when needed.

Every year, we perform environmental risk assessment on all operational sites. We conduct internal audits annually at complex locations, and the global EHS team audits high-risk sites at least once every three

years. During 2018, we audited all 16 HP manufacturing sites. We conduct audits using our internal EHS management system standards. Management reviews the findings and we resolve any deficiencies identified.

We pursue environmental management certifications at HP owned and leased facilities worldwide when feasible. As of the end of 2018, 18 facilities (including all HP manufacturing sites) were certified to ISO 14001, with 15 as part of our global ISO 14001 certificate. During the year, we transitioned completely to the latest version of the ISO 14001 standard.

As appropriate, we also achieve green building certifications at HP owned and leased facilities. Thirteen sites have achieved LEED certification (one more is in process), two locations have achieved SITES certification, one site has achieved TRUE certification, and one has achieved Green Mark certification.[1] All new build-outs target the LEED v4 Gold Standard. In support of these objectives, we have developed the HP Green and Smart Construction Playbook for project managers. This provides guidance on an integrated design process that covers key principles ranging from energy use, indoor air quality, water consumption, and waste recycling, to smart building technology and the user experience.

To drive improvement in health and safety, our EHS management system aligns with the American National Standards Institute ANSI Z10 standard and the International Labour Organization ILO-OSH 2001 guidelines.

HP locations with green building certifications*

● Green Mark for building   ● LEED for building
● SITES for landscaping   ● TRUE for zero waste

*As of May 2019, the Houston, Texas, LEED certification is in process.

All HP facilities have assigned technical EHS personnel, and our global EHS team provides guidance and oversight. We regularly talk to our employees about relevant policies, processes, and regulatory compliance. In 2018, more than 2,600 employees took part in 38 instructor-led courses and nearly 13,000 enrolled in web-based EHS training.

Promoting a culture of environmental responsibility

Recognizing the vital contribution employees make to improving our environmental performance, in 2018 we again conducted the following activities:

- On Earth Day and World Environment Day, HP employees held events at 50

About our operational data

All environmental data reported in this section refers to HP operations through October 31, 2018. At that time, we owned or leased 177 sites in 59 countries. Following the acquisition of Samsung Electronics Co., Ltd.'s printer business on November 1, 2017, we recalculated energy use, water consumption, and Scope 1 and Scope 2 GHG emissions data from operations back to the baseline of 2015, per guidance in the GHG Protocol. This process also included an update of the intensity factors used to extrapolate energy use and water consumption data for sites where direct tracked data was not available. The new intensity factors, along with recently confirmed square footage data, will more accurately reflect HP's footprint (see HP Carbon Accounting Manual and HP Water Accounting Manual for details). HP directly tracked data from invoices and other documents representing 91% of total electricity use, 81% of total natural gas use, 90% of total water consumption, 68% of total nonhazardous waste, and 100% of total hazardous waste.

sites worldwide, focused on decreasing single-use plastics. This included a "plastic scavenger hunt" on our internal Yammer social site, during which employees proposed ways to reduce single-use plastics in their own facilities. We are implementing many of the suggestions at HP sites.

- More than 2,000 HP employees from 30 sites took part in the Northwest Earth Institute (NWEI) EcoChallenge—a competition that invites people to take up a three-week personal sustainability challenge. HP sites in India and Puerto Rico earned the top two spots for their efforts, out of nearly 850 teams worldwide from HP and other organizations.

- Our team in Guadalajara, Mexico, developed a model to quantify the environmental benefits of employee actions taken at the site. Efforts during the year reduced GHG emissions by more than 700 tonnes of CO_2e, decreased water consumption by more than 1,100 cubic meters, and saved nearly $4,000. We are considering using this model at other HP sites.

- More than 600 HP volunteers worldwide at 12 sites participated in shoreline cleanup events to support World Environment Day and the HP Foundation's 40 Days of Doing Good campaign. They collected nearly 2 tonnes of trash, including discarded plastic, hazardous waste, cigarette ends, tin cans, and even bikes. We plan to continue this initiative annually.

Greenhouse gas emissions [2]

Most of our GHG emissions from operations are related to the energy used to power our facilities. To save money, drive progress toward our goals, and reduce our climate impacts, we:

- Aggressively reduce energy consumption through optimization and efficiency projects
- Increase on-site generation of renewable power
- Procure off-site renewable power, including renewable energy credits (RECs) and power purchase agreements (PPAs)

GREENHOUSE GAS EMISSIONS REDUCTION GOAL

Reduce Scope 1 and Scope 2 GHG emissions from global operations by 60% by 2025, compared to 2015

PROGRESS IN 2018

HP's global operations produced 229,600 tonnes of Scope 1 and Scope 2 CO_2e emissions,

↓41%

less than our 2015 baseline

Following the acquisition of Samsung Electronics Co., Ltd.'s printer business on November 1, 2017, we recalculated our Scope 1 and Scope 2 GHG emissions data from operations back to the baseline of 2015, per guidance in the GHG Protocol (see About our operational data). Our global

Scope 1 and Scope 2 GHG emissions from operations
tonnes CO_2e
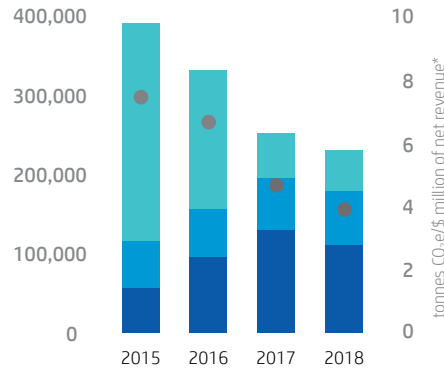
- Americas
- Europe, Middle East, and Africa
- Asia Pacific and Japan
- GHG emissions intensity (tonnes CO_2e/$ million of net revenue)*

* Historical emissions-intensity values were calculated using HP's annual revenue as characterized in financial reporting and Scope 1 and Scope 2 GHG emissions.

operations produced 229,600 tonnes of Scope 1 and Scope 2 CO_2e emissions during 2018, a 41% decrease compared to 2015, making progress toward our science-based goal of a 60% reduction by 2025. We updated this goal after achieving our 25% Scope 1 and Scope 2 GHG emissions reduction goal in 2017, also compared to 2015. GHG emissions intensity equalled 3.9 tonnes of CO_2e per $ million of net revenue in 2018, a 19% reduction from 2017. The main drivers for GHG emissions reduction included the implementation of energy conservation projects, real estate consolidation, and the

purchase of renewable energy and energy attribute certificates (RECs/IRECs).

Learn more about how we reduce GHG emissions across our value chain in Supply chain responsibility: Environmental impact and Products and solutions.

See our full carbon footprint for 2015-2018, HP carbon accounting manual, and CDP climate submissions.

Energy efficiency

Energy use is a significant operating expense for HP and the main driver of our climate impact from operations. Our operations consumed 758,898 MWh of energy in 2018, 6% less than in 2017. Global electricity use decreased by 8% compared to 2017, due to the implementation of energy conservation projects and real estate consolidation. Energy intensity equalled 13.0 MWh per $ million of net revenue in 2018, 16% less than in 2017.

During 2018, our main tactics to reduce energy use included a multi-site boiler optimization project, chiller optimization, retro-commissioning, conversion to LED lighting, and lighting control upgrades. Our energy team is collaborating with site operation teams that are replacing end-of-life equipment, to confirm that new high-efficiency equipment is being installed. All new construction will comply with the HP Green and Smart Construction Playbook and the LEED v4 Gold Standard.

In 2018, we implemented 29 projects at

Energy use from operations
MWh
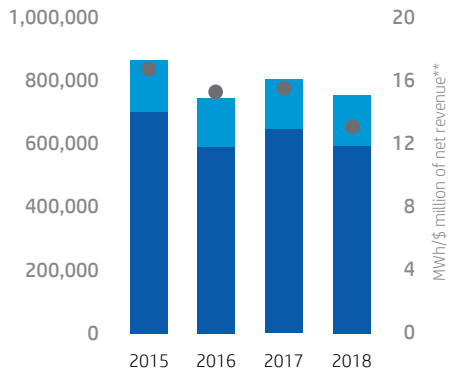
- ■ Stationary combustion (natural gas and diesel)
- ■ Electricity*
- ● Energy intensity (MWh/$ million of net revenue)**

* Includes purchased electricity and electricity generated on-site.

** Historical energy-intensity values were calculated using HP's annual revenue as characterized in financial reporting and direct and indirect energy use.

12 locations, projected to save 8,500 MWh annually. We retro-commissioned our Kiryat Gat, Israel, site, saving nearly 2,000 MWh with a 1.6-year payback. At our San Diego, California, site, we completed a lab fume hood variable air volume exhaust conversion project that included sensors to automatically close the hood sash if researchers are not present. For 2019, we have already identified and are implementing projects with a further 2,100 MWh of potential savings at 14 other sites, with more projects to follow.

Renewable energy

By shifting toward renewable, carbon neutral energy, we can reduce GHG emissions from operations. In 2018, we procured and generated 275,944 MWh of renewable electricity globally, including four new on-site solar PPAs. Renewables accounted for 47% of our global electricity consumption. This decrease from 50% achieved in 2017 was due to re-baselining (see About our operational data) and real estate reduction at sites that used 100% renewable electricity. Sources of renewable electricity in 2018 included RECs and IRECs (77.1%), direct purchases (21.7%), and renewable energy generated on-site and on-site PPAs (1.2%). Through these purchases, we once again achieved our objective to use 100% renewable electricity in the United States and helped to advance the global market for renewables.

RENEWABLE ELECTRICITY GOAL

Use 60% renewable electricity in our operations by 2025 and achieve 100% by 2035

PROGRESS IN 2018

HP's global operations procured and generated 275,944 MWh of renewable electricity and attributes, equivalent to

47%

of our global electricity consumption

#12 🔆 GREEN POWER PARTNER

on Green Power Partnership Top 30 Tech & Telecom list (as of February 2019)

HP aims to have an impact on the deployment of new renewable electricity where feasible. Through a combination of on-site generation, retail supply options, and project-specific supplier options, we continually search for cost-effective opportunities to source new renewable power that supplies the energy markets in which our sites consume the electricity. After achieving our 40% renewable electricity goal in 2017, HP has established a new goal of achieving 60% renewable electricity in our global operations by 2025 and 100% by 2035.

We are committed to using 100% renewable electricity to power our operations, and in 2016 joined RE100 led by The Climate Group to support these efforts. In 2015, we signed the Corporate Renewable Energy Buyers' Principles. In 2018, HP became one of the largest green power users among technology and telecommunications partners within the U.S. EPA's Green Power Partner Program. In early 2019, we were among the first companies to sign the Renewable Thermal Energy Buyers' Statement.

Business travel, commuting, and auto fleet

In 2018, employee business travel generated 70,000 tonnes of CO_2e emissions, 2% more than in 2017. Commuting generated 200,000 tonnes of CO_2e emissions, flat from the prior year. Our company fleet accounted for 32,200 tonnes of CO_2e emissions, an increase of 2% compared to 2017.

To support HP's GHG emissions reduction goal from operations, we plan to reduce GHG emissions from HP owned or leased auto fleet vehicles by 10% by 2025, compared to 2015. Through 2018, we achieved a 2% decrease.

To reduce emissions, we provide low impact travel choices for our employees through collaboration with our travel providers, planning tools, and initiatives such as the Zipcar vehicle share program at our headquarters in Palo Alto, California, United States.

HP is one of 10 founding members of EV100, a Climate Group initiative launched in 2017 to accelerate technological development of electric vehicles (EVs) worldwide. In support of this effort, we have committed to install EV infrastructure at all feasible sites worldwide by 2040. In 2018, we offered EV infrastructure at 19% of the 88 target sites, including Geneva, Switzerland; Barcelona, Spain; Houston, Texas; and Palo Alto, California. Wherever feasible, we require new building constructions and leases to include EV infrastructure. In 2019, we plan to add EVs to HP's own fleet.

Water

Water consumption associated with our operations makes up 2% of our total footprint. This is about evenly split between direct consumption as described in this section (mainly for use in buildings, cooling, landscaping, and production of high-purity water for manufacturing) and indirect consumption associated with generation of the electricity we use in our facilities.

> **WATER CONSUMPTION GOAL**
> Reduce potable water consumption in global operations by 15% by 2025, compared to 2015
>
> **PROGRESS IN 2018**
> Potable water consumption equaled 2,997,000 cubic meters globally,
>
> ↓**6%**
>
> less than in 2015

We work to reduce consumption and use the World Resource Institute's Aqueduct Water Risk Atlas tool to assess the risk of sites and prioritize water-stressed locations. In 2018, we consumed 3,406,000 cubic meters of water overall, a 5% increase compared to 2017, due primarily to business growth. Potable water use decreased 6% compared to 2015, the baseline year of our goal, due to efficiency projects that reduce indoor water fixture consumption, process water consumption, and irrigation water usage, completed at sites including Palo Alto,
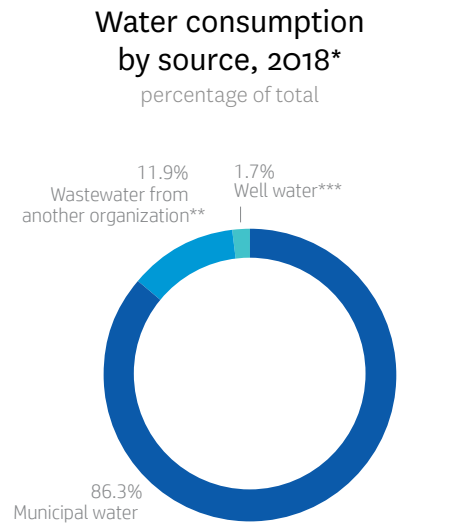
Water consumption*
cubic meters
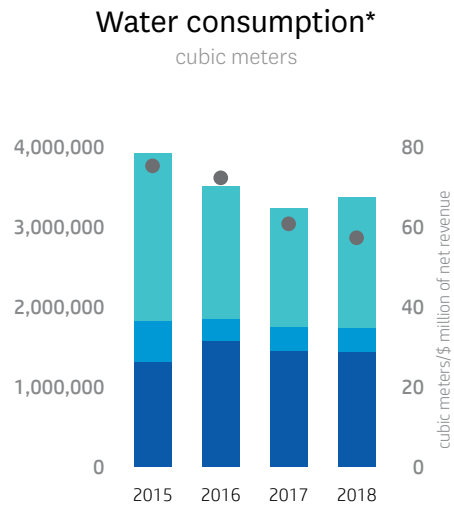
- ■ Americas
- ■ Europe, Middle East, and Africa
- ■ Asia Pacific and Japan
- ● Water consumption intensity (cubic meters/$ million of net revenue**)

  *HP reports all water withdrawn from municipal sources for use in its operations as consumed.

  ** Historical consumption-intensity values were calculated using HP's annual revenue as characterized in financial reporting and water consumption.

California; Boise, Idaho; Rio Rancho, New Mexico; Corvallis, Oregon; Singapore; and Barcelona, Spain. We also installed smart water metering and leak detection devices across 13 sites in our Europe, Middle East, and Africa region. Water consumption intensity per $ million of net revenue decreased by 6% between 2017 and 2018.

HP recycled or reused 415,000 cubic meters of water[3] globally during 2018, including 407,000 cubic meters of NEWater and 8,000

Water consumption by source, 2018*
percentage of total

11.9% Wastewater from another organization**

1.7% Well water***

86.3% Municipal water

---

* Direct use of surface water is insignificant and not included in data reported. Rain water is about 0.1% of total so is not visible on the graph.

** NEWater is ultra-purified wastewater used in manufacturing operations in Singapore.

*** This category includes groundwater.

cubic meters of sewage treatment plant water, for landscaping and indoor plumbing fixtures. This was equivalent to 12.2% of total water consumption. The company also captured and used 2,000 cubic meters of rain water for cooling towers during the year, and plans to implement rain water capture systems during 2019 in Barcelona for irrigation water use.

To reduce and recycle water used at our facilities, we employ smart building practices, sustainable landscaping, infrastructure upgrades, and greywater reuse. In 2018, we convened a session in

Singapore with participants from across HP, external industry water experts, and municipalities to develop creative approaches to addressing water challenges at the company. As a result, HP added water efficiency to new RFP requirements and educated employees about water conservation. We plan to install water submeters at the Singapore campus in 2019.

HP plans to host similar sessions throughout 2019 at sites with the highest water use and those identified as at risk through a World Resources Institute assessment. We also improved water efficiency at our Palo Alto, California; Boise, Idaho; Rio Rancho, New Mexico; and Corvallis, Oregon, sites, decreasing domestic water use from fixtures by approximately 30% at those locations. In Palo Alto, we deployed a smart water management service that we expect to deliver significant savings. We are pursuing similar projects at other high use sites, and plan to install water meters in Beijing, China; Singapore; and Boise and Corvallis.

In 2017, our Boise facility became the first corporate campus worldwide to be certified using the USGBC Sustainable SITES Initiative v2 rating system, the most comprehensive program for designing, developing, and maintaining sustainable landscapes. Building on that success, in 2018 we introduced sustainable landscaping at our Corvallis campus, which became the first USGBC Sustainable SITES certified campus in the state of Oregon. We replaced non-

WATER (CONTINUED)

indigenous grasses with native varieties that demand less water and attract local pollinators. At maturity in 2020, the project is expected to save 12,500 cubic meters of water annually and reduce water usage from irrigation by 25% and landscaping costs by 30%. In 2019, we plan to launch a similar project at our Barcelona campus.

See detailed data for 2015–2018, the HP water accounting manual, and our CDP water submissions.
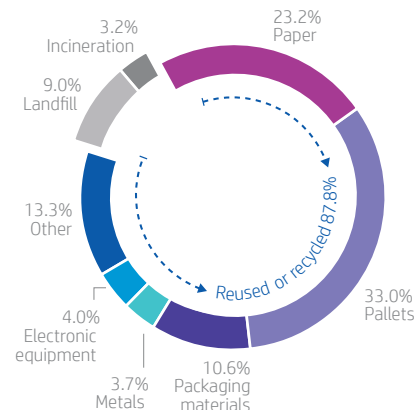
Wastewater

Wastewater is not a significant environmental aspect of HP's operations. Our imaging and printing product manufacturing facilities generate process effluents that are pre-treated, strictly monitored, and discharged under government-issued permits to municipal wastewater plants for further treatment. We implement procedures to prevent unauthorized discharges of chemicals to our facility wastewater systems and ensure that these sites do not discharge wastewater directly to surface water or to groundwater.

Waste

Although our facilities do not generate large amounts of waste, we employ a global policy of "reduce, reuse, and recycle" that supports

our company-wide shift toward a circular economy. HP generated 32,000 tonnes of nonhazardous waste in 2018, up 8% compared to 2017, due primarily to increased manufacturing. We achieved a 90.9% landfill diversion rate globally, and only use disposal as a last resort. We reuse electronic equipment when possible or recycle it responsibly through the same programs we offer customers. See Product repair, reuse, and recycling.

Nonhazardous waste composition, 2018*
percentage of total

- 3.2% Incineration
- 23.2% Paper
- 9.0% Landfill
- 13.3% Other
- 33.0% Pallets
- Reused or recycled 87.8%
- 4.0% Electronic equipment
- 3.7% Metals
- 10.6% Packaging materials

* HP sites report nonhazardous waste volumes and disposition based on information provided by our waste disposal vendors. For sites unable to directly track nonhazardous waste, we estimate volumes and disposition using intensity factors based on similar operations.

TRUE Zero Waste certification is a whole systems approach that aims to change how materials flow through society. In 2017, our Palo Alto headquarters became the first technology campus in the state and the second globally to achieve Gold TRUE certification. We are pursuing certification at additional campuses worldwide.

The main hazardous waste we generate is liquid from ink manufacturing facilities. These manufacturing sites prioritize waste management options with low environmental impacts and only use disposal as a last resort. Although ink manufacturing is a source of hazardous waste, HP ink cartridges used by customers and in our offices can be recycled and are considered nonhazardous in many of our major markets.

We generated 6,910 tonnes of hazardous waste in 2018, a 28% increase compared to the prior year.

See detailed waste data for 2015–2018.

Community giving and volunteerism

By leveraging our scope and scale, together with strategic local partnerships, we aim to connect our communities to greater economic and social opportunity through technology and protect our shared environment. We create positive local impact in the communities where we live, work, and do business, through corporate contributions, the work of the HP Foundation,[1] and employee giving and volunteerism. See HP's Global Charitable Contributions Policy. By deploying our technology to help solve global challenges, we create shared value for HP, our customers, and society at large. See Global education programs.

COMMUNITY GIVING GOAL

Contribute $100 million in HP Foundation and employee community giving[2] by 2025 (cumulative since the beginning of 2016)

PROGRESS IN 2018

Reached

$23.21 million

in HP Foundation and employee community giving

FOCUS AREAS

Technology-enabled education and skills-building

Environmental stewardship, resilience, and disaster recovery

Inclusion and empowerment for underrepresented and marginalized people

| 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION | 5 GENDER EQUALITY | 10 REDUCED INEQUALITIES |

HOW WE SUPPORT OUR COMMUNITIES

Corporate giving

$7.12 million in 2018

HP Foundation giving

$4.34 million in 2018

Employee giving

$2.07 million in 2018

Employee volunteerism

140,000 hours contributed by 6,400 employees in 2018

In addition, we take a shared value approach to business, deploying our technology to help solve global challenges and drive value for HP, our customers, and society at large.

HP Foundation programs

HP LIFE: Learning and employment opportunities for aspiring entrepreneurs

To bridge the "digital divide" and build skills for the future, the HP Foundation provides core business and IT skills training free of charge for start-ups, students, and small businesses through HP LIFE (Learning Initiative for Entrepreneurs). The program offers global access to 30 free online courses in seven languages, with a focus on providing highly accessible and usable content. New courses added to the portfolio during 2018 included a module on 3D printing.

HP LIFE GOAL

Enroll 1 million HP LIFE users between 2016 and 2025

PROGRESS IN 2018

Enrolled

166,000

since 2016

HP LIFE in Tunisia

In Tunisia, HP LIFE is supporting female learners and small business owners. Although women represent only about 30% of the formal economy in Tunisia, more than half of HP LIFE users in that country are female—and female entrepreneurs founded 56% of the 94 start-up businesses enabled through the program between October 2016 and September 2018.

The UN and government-backed Mashrou3i program ("my own business" in Arabic) is a joint program by HP Foundation, UNIDO, USAID, and AICS, designed to foster youth entrepreneurship in Tunisia and support the creation and growth of enterprises using HP LIFE. The program has generated 1,400 jobs and supported more than 230 start-up businesses since its launch in 2013. Mashrou3i was extended in 2017 with the goal of creating more than 6,000 jobs for young people in Tunisia by 2021. Since 2016, more than 22,000 learners have enrolled and completed nearly 238,000 courses.

See HP LIFE success stories.

HP Matter to a Million

HP's five-year Matter to a Million program with Kiva, which concluded in 2018, has enabled 1.1 million people to improve their lives. In 2018, HP employees made more than 25,000 loans totaling $639,000 to small-scale entrepreneurs in 39 countries, using $25 loan credits from the HP Foundation.

We have enrolled nearly 750,000 new HP LIFE users from 2012 through 2018, including approximately 57,000 during the most recent year. The greatest uptake occurred in Brazil, Egypt, India, Morocco, Saudi Arabia, Tunisia, and the United States.

The United Nations Industrial Development Organization (UNIDO), HP, and the HP Foundation signed a memorandum of understanding in 2017 renewing our partnership to further foster entrepreneurship and employment opportunities in developing economies, including expanding our work into Africa. This was followed by the launch of HP LIFE in Nigeria, where more than 5,000 new users joined the program in 2018.

In 2018, HP announced a new commitment to reach 100,000 learners across Africa over the next three years through HP LIFE.

HP is committed to enabling better learning outcomes for 100 million people by 2025, since the beginning of 2015, through application of our technology, training, R&D, and financial contributions. We invest in programs and provide technology solutions that meet learners where they are and take them where they want to go. See how our products and partnerships are enabling better learning outcomes.

As part of this commitment, HP opened a new tech-enabled HP LIFE Center in Johannesburg, South Africa.

BeChangeMaker (BCM): Empowering social entrepreneurs

HP LIFE hosts an annual BCM program, in partnership with WorldSkills International, which inspires young people aged 18 to 30 to tackle social issues and increases their awareness of social entrepreneurship as a career option. In 2017, more than 160 teams entered from 31 countries. A group of HP employees served as team mentors while other HP employees joined the judging panel. Teams used HP LIFE courses and webinars to generate social venture ideas, create a viable business model, and pitch

their concept to the judges. The winning teams targeted science education, food scarcity, and living conditions, and are all enrolled in incubators to further their ideas.

Imagine Grants

In November 2018, the HP Foundation launched the Imagine Grants initiative to support its mission of bringing technology-related learning experiences to underserved and underrepresented communities. Local leaders and HP country managers have discretion to identify suitable local charitable organizations to receive a cash grant. HP locations have a budget of approximately $25 per full-time employee, and charities are vetted centrally to ensure they align with the HP Foundation mission.

Disaster recovery and resilience

HP, our employees, and the HP Foundation together provide financial support for communities affected by natural disasters and emergencies. We work with expert partners, including the American Red Cross, the International Federation of Red Cross and Red Crescent Societies, Save the Children and the Information Technology Disaster Resource Center (ITDRC) to speed recovery and reconnect vital networks.

HP Connection Spot: Mobile disaster relief

The HP Connection Spot provides emergency connectivity to people in the contiguous United States who are unable to communicate due to a natural disaster. The custom-built trailer is equipped with HP laptops, chromebooks, printers, and an Internet hot spot. Staffed by HP volunteers, the HP Connection Spot is also available for first responders and nonprofit personnel involved in disaster relief efforts.

The Connection Spot visited Bucksport, South Carolina, and Chattahoochee and Panama City Beach, Florida, in October 2018, to assist with efforts related to Hurricane Florence and Hurricane Michael. Ten HP employees staffed it during its 19-day deployment. The team offered practical help to victims and service people, such as printing maps and documents, and acted as a focal point for communities.

Employee volunteerism

HP taps into the talents, passions, and entrepreneurial spirit of employees to make a difference in our communities. Volunteerism in 2018 was 62% higher than in 2017—which had increased a similar amount compared to 2016.

EMPLOYEE VOLUNTEERING GOAL

Contribute 1.5 million employee volunteering hours by 2025 (cumulative since the beginning of 2016)

PROGRESS IN 2018

Reached

284,000

employee volunteering hours

In 2018, 6,400 employees contributed about 140,000 hours to local volunteer efforts in 48 countries, with a value of $4.3 million.[3] HP employees are granted four hours paid volunteer time per month. In addition, HP's Time Off Community Support Grant allows employees to apply for a week of paid volunteer time to support more intensive engagements and travel service projects.

During our 40 Days of Doing Good campaign, HP employees volunteered more than 7,000 hours at nearly 150 events. Among the many activities were coding workshops for disadvantaged youth, coaching for veterans transitioning to new careers, sessions to encourage young girls to pursue STEM careers, and time dedicated to shoreline and park cleanups, audio book recording, and health and nutrition awareness.

The HP Foundation complemented these efforts with grants totalling $412,000 to support the work of 64 education and technology-related learning charities

nominated by our employees. In addition to their time, employees also donated $2.07 million in cash to qualifying organizations during 2018 through our HP Inspires Giving program. The HP Foundation contributed $1.89 million in matching funds.

See Data for detailed figures.

Hour of Code

HP employees volunteer to teach coding in schools and community organizations around the world, with a goal to reach underserved student communities, particularly ethnic minorities and young women. These Hour of Code sessions focus on introducing students to valuable skills, increasing interest in computing and technology, and building the future pipeline of diverse talent for HP. In 2018, more than 1,500 HP volunteers from 41 company sites participated in Hour of Code in almost 300 schools and communities worldwide, reaching over 25,000 students.

Data

Our employees

	2018
Women employees [% of total]	
Americas	34.1%
Asia Pacific and Japan	36.9%
Europe, Middle East, and Africa	38.1%
Worldwide	36.1%
Women managers* [% of total]	
Americas	31.0%
Asia Pacific and Japan	23.2%
Europe, Middle East, and Africa	28.9%
Worldwide	27.9%
U.S. employees, by race** [% of total]	
White	65.1%
All minorities	26.3%
Black	3.9%
Hispanic	8.3%
Asian	11.7%
Native American	0.5%
Hawaiian/Pacific Islander	0.1%
Two or more races	1.8%

	2018
U.S. new hires, by race** [% of total]	
White	59.5%
All minorities	32.4%
Black	5.2%
Hispanic	10.6%
Asian	12.1%
Native American	0.9%
Hawaiian/Pacific Islander	0.1%
Two or more races	3.5%
Global new hires, by gender** [% of total]	
Women	32.4%
Men	65.8%

* Includes all management categories (supervisors, managers, directors, and executives).

** Sum of "White" and "All minorities" does not equal 100% because not all employees disclose their self-identity.

*** Sum of "Women" and "Men" does not equal 100% because not all employees disclose their self-identity.

Employees (regular full time and part time) by region and gender, 2018*	Men	Women	Total
Americas	12,844	6,651	19,495
Asia Pacific and Japan	14,301	8,366	22,667
Europe, Middle East, and Africa	6,908	4,351	11,259
Total	34,053	19,368	53,421

* This table does not include 222 employees who did not disclose their self-identity. Further, the data was not available for 1,743 employees of a certain majority-owned, consolidated subsidiary.

World workforce by age group, 2018	% of total
30 and under	19.7%
31–50	62.7%
51 and over	17.6%

Employees (regular full time and part time) by employment type and gender, 2018*	Women	%	Men	%	Total
Full time					
Executives	98	31.3%	214	68.4%	312
Directors	314	30.3%	720	69.5%	1,034
Managers	1,241	27.1%	3,333	72.8%	4,574
Professionals	12,586	34.9%	23,263	64.6%	35,849
Other	4,755	42.3%	6,457	57.4%	11,212
Subtotal	18,994		33,987		52,981
Part time					
Executives	0	0%	0	0%	0
Directors	3	100%	0	0%	3
Managers	10	90.9%	1	9.1%	11
Professionals	327	84.3%	61	15.7%	388
Other	34	89.5%	4	10.5%	38
Subtotal	374		66		440
Total	19,368		34,053		53,421

* This table does not include 222 employees who did not disclose their self-identity. Further, the data was not available for 1,743 employees of a certain majority-owned, consolidated subsidiary.

	2016	2017	2018
Lost workday case rate*			
Global	0.16	0.08	0.09
Americas	0.12	0.11	0.16
Europe, Middle East, and Africa	0.36	0.13	0.12
Asia Pacific and Japan	0.06	0.03	0.02
Leading causes of lost workdays [% of total]			
Slips, trips, and falls	34%	32%	24%
Automobile accidents	26%	10%	20%
Struck by/against/cut by	22%	22%	25%
Ergonomics—materials handling	11%	21%	14%
Overexertion—not materials handling	3%	11%	2%
Other	4%	4%	15%

	2016	2017	2018
Recordable incidence rate**			
Global	0.22	0.17	0.23
Americas	0.23	0.30	0.33
Europe, Middle East, and Africa	0.43	0.18	0.52
Asia Pacific and Japan	0.07	0.06	0.03
Leading causes of recordable incidents (with and without lost time) [% of total]			
Struck by/against/cut by	35%	33%	26%
Slips, trips, and falls	27%	33%	27%
Automobile accidents	13%	7%	13%
Ergonomics—materials handling	11%	12%	17%
Ergonomics—office environment	6%	3%	2%
Other	8%	12%	15%

* Lost workday case rate is the number of work-related injuries that result in time away from work per 100 employees and contractors that HP manages working a full year. Rates are calculated using Occupational Safety and Health Administration (OSHA) definitions for recordability around the world and using OSHA calculation methodologies. The figures are based on employees working an average of 2,000 hours during a full year. The U.S. average in 2017 for the Computer and Peripheral Equipment Manufacturing industry (NAICS #3341) was 0.2. Americas includes Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Mexico, Peru, Puerto Rico, and the United States. Asia Pacific and Japan includes Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam. Europe, Middle East, and Africa includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Italy, Poland, Portugal, Romania, Spain, Sweden, Switzerland, the Russian Federation, and the United Kingdom. Data for 2016 are fiscal year. Data for 2017 and 2018 are calendar year.

** Recordable incidence rate is the number of all work-related lost-time and no-lost-time cases requiring more than first aid per 100 employees and contractors that HP manages working a full year. Rates are calculated using OSHA definitions for recordability around the world and using OSHA calculation methodologies. The figures are based on employees working an average of 2,000 hours during a full year. The U.S. average in 2017 for the Computer and Peripheral Equipment Manufacturing industry (NAICS #3341) was 0.6. Americas includes Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Mexico, Peru, Puerto Rico, and the United States. Asia Pacific and Japan includes Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam. Europe, Middle East, and Africa includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Italy, Poland, Portugal, Romania, Spain, Sweden, Switzerland, the Russian Federation, and the United Kingdom. Data for 2016 are fiscal year. Data for 2017 and 2018 are calendar year.

Our facilities (also see GHG emissions data)*

	2015	2016	2017	2018
Energy use [MWh]	859,620	739,682	807,122	758,898
Energy intensity** [MWh/$ million of net revenue]	16.7	15.3	15.5	13.0
Direct energy use in operations (corresponds to Scope 1 emissions)*** [MWh]	162,620	155,682	165,138	164,075
Natural gas	159,273	154,822	162,716	161,653
Americas	128,691	124,601	129,715	122,564
Europe, Middle East, and Africa	24,426	21,596	29,448	31,262
Asia Pacific and Japan	6,156	8,625	3,553	7,828
Renewable (generated on-site)	232	134	960	1,731
Diesel/gas/oil/LPG ****	3,116	726	1,462	691
Indirect energy use (corresponds to Scope 2 emissions) [MWh]	697,000	584,000	641,983	594,823
Electricity (purchased)	697,000	584,000	638,023	589,217
Americas	472,000	301,000	260,392	229,653
Europe, Middle East, and Africa	131,000	93,000	149,301	132,578
Asia Pacific and Japan	94,000	190,000	228,330	226,986
Voluntary purchases of renewable energy†	7,000	4,000	231,526	255,797
Voluntary purchases of no/low-carbon energy	0	0	0	0
Supplier-specific renewable energy	24,000	18,000	78,182	18,416
District cooling and heating (purchased)	0	0	3,960	5,606
Americas	0	0	0	0
Europe, Middle East, and Africa	0	0	0	0
Asia Pacific and Japan	0	0	3,960	5,606
Water consumption, by region [cubic meters]	3,952,000	3,535,000	3,243,000	3,406,000
Americas	2,121,000	1,670,000	1,476,000	1,648,000
Europe, Middle East, and Africa	520,000	297,000	319,000	307,000
Asia Pacific and Japan	1,311,000	1,568,000	1,448,000	1,451,000

	2015	2016	2017	2018
Water consumption, by source†† [cubic meters]	3,953,000	3,534,000	3,243,000	3,406,000
Municipal water	3,205,000	2,751,000	2,627,000	2,938,000
Wastewater from another organization††† (NEWater)	746,000	725,000	533,000	407,000
Tanker water††††	2,000	0	0	0
Rain water	0	0	1,000	2,000
Well water	0	58,000	82,000	59,000
Reused treated sewage treatment plant water‡ [cubic meters]	25,000	1,000	15,000	8,000
Recycled or reused water‡‡ [% of total water consumption]		25.5%	17.1%	12.2%
Nonhazardous waste [tonnes]	28,100	27,800	29,500	32,000
Americas	16,000	15,900	15,800	13,100
Europe, Middle East, and Africa	7,400	8,000	8,500	5,900
Asia Pacific and Japan	4,700	3,900	5,200	13,000
Nonhazardous waste by type [tonnes]	0	0	29,500	32,000
Recycled	0	0	24,500	28,100
Landfilled	0	0	2,700	2,900
Incinerated	0	0	2,300	1,000
Nonhazardous waste landfill diversion rate [% of total produced]				
Global	90.9%	90.1%	90.9%	90.9%
Americas	91.6%	91.2%	91.6%	91.6%
Europe, Middle East, and Africa	85.5%	85.4%	87.4%	87.4%
Asia Pacific and Japan	97.2%	95.1%	94.6%	94.6%
Hazardous waste‡‡‡ [tonnes]		5,560	5,410	6,910
Americas		1,600	1,750	280
Europe, Middle East, and Africa		2,370	2,280	1,090
Asia Pacific and Japan		1,590	1,380	5,540

	2015	2016	2017	2018
Ozone depletion potential of estimated emissions‡‡‡‡ [kg of CFC-11 equivalent]	52	24	10	5
Americas	34	5	0	2
Europe, Middle East, and Africa	1	18	10	4
Asia Pacific and Japan	17	0	0	0
Number of violations of legal obligations/ regulations‡‡‡‡‡	0	0	0	4
Fines/penalties related to the above [$]	$0	$0	$0	$0

  * Following the acquisition of Samsung Electronics Co., Ltd.'s printer business on November 1, 2017, we recalculated energy use, water consumption, and Scope 1 and Scope 2 GHG emissions data from operations back to the baseline of 2015, per guidance in the GHG Protocol. This process also included an update of the intensity factors used to extrapolate energy use and water consumption data for sites where direct tracked data was not available. The new intensity factors, along with recently confirmed square footage data, will more accurately reflect HP's footprint (see HP Carbon Accounting Manual and HP Water Accounting Manual for details). HP directly tracked data from invoices and other documents representing 91% of total electricity use, 81% of total natural gas use, 90% of total water consumption, 68% of total nonhazardous waste, and 100% of total hazardous waste.

  ** Historical energy intensity values were calculated using HP's annual revenue as characterized in financial reporting and direct and indirect energy use.

  *** Fuel consumption from HP's transportation fleet is not included in the Direct energy use in operations figures.

  **** Diesel is mostly used at HP for testing generators. In limited cases, diesel is also used for long-term on-site energy generation.

  † Renewable energy and renewable energy credits, excluding renewable energy provided by default in the power grid.

  †† "Water consumption" includes municipal water, wastewater from another organization, tanker water, rain water (beginning in 2017), and well water. Direct use of surface water is insignificant and not included in data reported. Water consumption does not include reused treated sewage treatment plant water.

  ††† NEWater is ultra-purified wastewater used in manufacturing operations in Singapore.

  †††† Tanker water is well water that is delivered to the site by tanker truck.

  ‡ This water is used for landscaping and toilets.

  ‡‡ This includes NEWater (ultra-purified wastewater used in manufacturing operations in Singapore) as well as recycled or reused water reported by sites globally. Grey water is included, rain water is not.

  ‡‡‡ Accounting for the separation of Hewlett-Packard Company on November 1, 2015, it was not feasible to include hazardous waste data specific to HP Inc. for 2015.

  ‡‡‡‡ For 2015 and 2016, we calculated ozone-depleting substances emissions by tracking sites that reported refrigerant replacement due to leakage, and applied an intensity factor (based on those actual quantities) for nonreporting sites. For 2017, HP transitioned to a system that tracks all refrigerant work orders company-wide, directly accounting for facilities' refrigerant leakage and use and eliminating the need for extrapolation.

  ‡‡‡‡‡ This data represents safety or environmental violations from a federal or state agency.

Community giving and volunteerism

	2016	2017	2018
Social investment* [$ million]	$6.31**	$7.60**	$15.76
Company cash contributions	$1.06**	$0.55**	$2.15
HP Foundation cash contributions	$1.93**	$2.82**	$4.34
Products***	$1.91	$0.73	$4.97
Services****	$1.41	$3.50	$4.30
Social investment [% of net earnings]	0.3%**	0.3%	0.3%
Contributions to Cash Matching Program [$ million]			
U.S. employee contributions to Cash Matching Program	$1.13	$1.70	$2.07
HP Foundation contributions to Cash Matching Program	$0.99**	$1.66	$1.89
Employee volunteer hours	54,800	89,500	140,000

  * Social investments include all grants made to nonprofit organizations from HP, plus the valuation of employee volunteer hours. Data excludes contributions to the HP Foundation and employee donations but includes HP's matching contributions and contributions from the HP Foundation to other organizations.

  ** Total cash is updated from information reported in past years to reflect more complete data.

  *** Product donations are valued at the Internet list price. This is the price a customer would have paid to purchase the equipment through the HP direct sales channel on the Internet at the time the grant was processed.

  **** "Services" includes the valuation of HP employee volunteer hours. Valuation rates are based on CECP standards.

HP education programs and solutions	2015	2016	2017	2018
Students and adult learners benefiting from HP's education programs and solutions	4,629,000	4,970,000	5,238,000	6,543,000
HP LIFE users enrolled*	n/a	53,000	56,000	57,000

  * HP LIFE users are also included in the overall students and adult learners data above. 2015 HP LIFE data was tracked using a different system and are not included due to lack of comparability.

Products and solutions

Sustainable design

Sustainable Impact inspires us to reinvent everything we do—including how we design, deliver, and recover our products and solutions. Across our Personal Systems, Print, and 3D Printing businesses, we are committed to creating our most sustainable portfolio. By reducing the amount of materials in our products, increasing our use of recycled content, designing for energy efficiency, and offering convenient and more sustainable services, we are enabling our customers to achieve more, with less impact. When our products reach end of service, our repair, reuse, and recycling options help to ensure products are properly handled.

From transforming education and ensuring customer privacy and security to advancing healthcare, our products enhance the lives of millions of people worldwide. We prioritize the health and safety of those who help bring our products to market, as well as our customers and end-users. Through a focus on inclusive and universal design, we work to ensure that the benefits of our innovative technology empower everyone, everywhere.

As we look ahead, we anticipate a future that is more resource constrained, interconnected, and transparent than ever before. We know that technology is critical to address these challenges, and to driving a more circular and low-carbon future.

Design for Sustainability

HP product materials, manufacturing, transport, and use account for 98% of our value chain carbon footprint. Applying sustainable design principles across our portfolio is key to reducing our footprint, while delivering better performance for our customers and benefiting the planet, our people, and communities worldwide.

In 1992, we developed our Design for Sustainability program (originally Design for the Environment) to formally consider factors impacting sustainability performance throughout the product design and development phases. Using a science-based approach, we evaluate our products to identify and prioritize improvement opportunities and set goals. The program, which is integrated into HP's product development process, encompasses management systems, processes, tools, and company-wide collaboration to support our teams in several key areas. Our approach has continually evolved in response to technological and scientific developments, changes to our supply chain, and customer demand.

Inclusive design

At HP, we believe that creating inclusive technology affirms human dignity, promotes independence, and unleashes creativity. Every person's access needs are diverse and individual, and can be situational, acquired, temporary, or lifelong. HP teams consider accessibility early in product development, conduct user testing with individuals who have disabilities, and incorporate feedback from the global disability community.

For example, we are incorporating easy-to-use voice technology across our web-enabled consumer printers and offering the HP Accessibility Assistant—our secure voice and screen reader accessory—in a wide range of office printers.

HP also participates in industry and government efforts to advance worldwide standards and policies that improve the accessibility of information and technology.

Customer requirements for easy-to-use, accessible products continue to explode, especially to support the rapidly aging global population, and HP is committed to ensuring that the benefits of our innovative technology empower everyone, everywhere.

For more information on our accessibility program, please visit the HP Office of Aging and Accessibility.

Design for Sustainability supports our circular economy strategy and is an important driver of business value. In 2018, we tracked roughly $10 billion in new and potential revenue associated with deals in which we met customer requirements for registered product eco-labels, including ENERGY STAR®, EPEAT®, Blue Angel, TCO, and others.

Product design and development operations for our HP LaserJet Enterprise Solutions, HP Inkjet Printing Systems, and Personal Systems product groups are ISO 14001 certified. We conduct internal compliance audits and benchmark against industry best practices on an ongoing basis. Relevant products undergo a range of external certifications.

HP Design for Sustainability addresses a broad range of issues across the product life cycle.

Improve **energy efficiency** to enable a low-carbon economy

Energy consumption during product use is one of the largest contributors to our carbon and water footprints, so continually improving product energy efficiency is central to our sustainable design strategy. See Energy efficiency.

Deliver positive **social impact**

Through innovative partnerships and materials sourcing, we improve livelihoods. Through our supply chain engagements, we increase the availability of recycled materials while supporting safe workplaces, healthy lifestyles, and skills development. To meet our customers' needs, we follow security and privacy as well as inclusive design principles, and our products enable better learning outcomes for millions of people around the world.

Repair, reuse, and recycle products at **end of service**

Rapid innovation is increasing the urgency to move toward circular models where products stay in use as long as possible and materials are responsibly recycled and repurposed at product end of service. As part of designing for end of service, we consider factors such as availability of spare parts, ease of disassembly, materials identification, and ability to separate materials. Our repair, reuse, and recycling programs help keep products in use, and at end of service, support responsible collection and processing to recover and reuse as much material as possible.

HP Design for Sustainability

Advance **materials innovation** to improve environmental and human health impacts

Progress toward a circular economy requires keeping materials in use for as long as possible and ensuring they can be easily reused or recycled. We continually work to eliminate materials of concern, increase materials efficiency, and circulate materials through use of recycled content. See Materials innovation.

Drive customer and environmental value with **product-as-a-service**

Service-based models deliver better value to customers with reduced environmental impact and capital costs. Customers can access the latest technology, while HP manages the fleet. An ongoing relationship strengthens engagement and provides valuable insights on customer behavior and needs. Service-based offerings support the transition to a circular economy. Regular maintenance increases product longevity and decreases waste. Fewer individual product shipments and customer store visits decrease GHG emissions. Value is recaptured at end of service through product repair, reuse, and recycling. Learn more in Products and solutions portfolio.

Extend product life through **durability and repairability**

We provide free service documentation for most products, supplemented with service options and warranties, including through HP Care Pack Central. The HP Customer Self Repair Services Media Library provides tutorials and instructions, and the HP Parts Store sells PC and printer parts. Learn more in Products and solutions portfolio.

Life cycle assessment

HP is an industry leader in life cycle assessment (LCA) and product carbon footprinting (PCF).[1] We use these tools to quantify the environmental characteristics and impacts of our products and solutions and help bring a science-based perspective to our continuous improvement efforts and goals. Through these efforts, we identify the processes, components, and materials with the largest environmental impacts, compare them with possible alternatives, and target product performance improvements that deliver value to our customers and our business. Increasingly, we are also applying LCA to service-based models to understand the benefits.

We follow LCA standards ISO 14040/14044. For PCFs, we use International Electrotechnical Commission Technical

Report 62921, a streamlined methodology for assessing the carbon footprint of computer and display products. We continually update our LCA and PCF tools to ensure that they provide current and accurate information.

We completed a preliminary LCA in 2019 comparing HP's Device as a Service (DaaS) offering for commercial PCs with traditional transactional sales offerings. Learn more. In 2018, we:

- Completed an ISO-compliant, peer-reviewed LCA of an HP Pro x2 612 G2 Tablet, which determined that the most significant environmental impacts occur in manufacturing, due largely to the production of displays and motherboards.
- Completed or updated 24 LCAs of HP desktop, DesignJet, and enterprise printers, as well as a peer-reviewed LCA of HP Original compared to imitation toner cartridges.

- Conducted 50 PCFs of all new business HP desktops, notebooks, tablets, workstations, thin clients, all-in-one computers, digital signage, and displays to better understand performance and inform ongoing design improvements.

To promote LCA within and beyond the industry, HP has a seat on the Board of Directors of the American Center for Life Cycle Assessment.

Product certifications and disclosures

Product certifications help drive sustainability performance across the industry by providing comprehensive information that enables customers to make more sustainable product choices. We share

extensive product safety and environmental information online and contribute to the development of new standards. Between 2014 and 2018, HP participated in the standard development process of IEEE 1680.1-2018, which is used to register PCs and displays to EPEAT®. When the registry went live in 2019, HP achieved several industry firsts.

See also:

- Eco-labels
- ECO Declarations In 2018, HP provided ECO Declarations for product groups representing 93% of revenue
- HP Carbon Footprint Calculator
- Safety Data Sheets
- Product compliance declarations and certifications
- Disassembly instructions

Eco-labels across our portfolio
% models, for products shipped in 2018*

Products	EPEAT identifies high-performance, environmentally preferable products				ENERGY STAR® recognizes products with superior energy efficiency	China SEPA recognizes energy-saving and environmentally preferable models	TCO recognizes various ergonomic and environmental features related to visual displays	Blue Angel recognizes criteria in product design, energy consumption, chemical emissions, noise, recyclable design, and take-back programs
	EPEAT (all categories)	EPEAT Gold registered	EPEAT Silver registered	EPEAT Bronze registered				
Personal systems	94%	62%	31%	0%	94%	55%	34%	NA
Printers	71%	7%	58%	6%	98%	98%	NA	64%

*EPEAT data for personal systems is for models registered worldwide and for printers is for models registered in the United States. ENERGY STAR data (7.0 or 6.1 for personal systems and 2.0 for printers) is worldwide. China SEPA data applies only to products registered in China. TCO data is for commercial desktops, notebooks, all-in-ones, and displays shipped in Europe. Blue Angel applies only to products registered in Germany. All data is for models shipped anytime during fiscal year 2018.

Energy efficiency

The energy consumed by our products during use is one of the largest contributors to our carbon and water footprints. We use multiple metrics to assess progress and drive improvement.

Product energy efficiency

Since 2010, the energy consumption of our personal systems products dropped by 44%, on average, despite the general increase in software power demands during that period. This included average reductions in energy consumption of 47% in desktops, 34% in notebooks, and 30% in workstations.[2] During that timeframe, we have also reduced energy consumption of our HP LaserJet portfolio by 56%, on average,[3] and the energy consumption of our HP inkjet portfolio by 20%, on average.[4]

Key drivers in 2018 included:

- **Personal systems:** Ongoing design improvements, including more efficient CPUs and power supplies and a shift toward small form factor desktops, contributed to continued reductions in typical energy consumption of our desktops, notebooks, and workstations. See Personal systems.
- **Printing:** We continue to improve energy efficiency in our LaserJet products. See Home and office printing. Other factors in 2018 included improved LaserJet and

inkjet power usage data, shifts in the inkjet printer portfolio mix toward more efficient models, and shipping more PageWide web presses, which have high duplexing rates.

PRODUCT USE GHG EMISSIONS INTENSITY REDUCTION GOAL
Reduce HP product use GHG emissions intensity by 30% by 2025, compared to 2015[5]

PROGRESS THROUGH 2018
↓**11%**
decrease achieved

Product use carbon and water footprints

In 2018, 52% of our overall carbon footprint resulted from the energy, paper, and ink, toner, and resin supplies consumed during product use, 51% of which was due to electricity consumption.

Greenhouse gas (GHG) emissions from product use equaled 23,400,000 tonnes of CO_2e in 2018, up 6% compared to 2017.[6] This increase was due primarily to higher PC sales, which more than offset improved energy efficiency on average. Printer GHG emissions related to product energy use decreased by 17%, despite increased shipments year over year (see key drivers in 2018 at left).

Product use represented 77% of our water footprint, due to the considerable amounts of cooling water required during electricity

generation as well as water use related to paper production. Water consumption related to product use equaled 195,000,000 million cubic meters, 7% higher than the prior year, due to the same factors that increased GHG emissions (see above).

See product use carbon and water footprint data.

Materials innovation

Following the HP materials strategy, we are pushing toward a circular model of production and consumption, using materials efficiently and responsibly, keeping them in use for as long as possible, and recycling and reusing products at end of service.

HP is a signatory to the Ellen MacArthur Foundation New Plastics Economy Global Commitment to eliminate plastic pollution at its source. The three key principles of its framework—eliminate, innovate, and circulate—underpin our approach to product materials use, paper, and packaging.

Restrict materials of concern

We aspire to a world where our products and operations use materials and chemicals that cause no harm. For more than two decades, we have worked to move the electronics industry toward safer alternatives to chemicals of concern. See key milestones in our Green Chemistry Timeline.

Eliminate	• Restrict chemicals of concern for products, packaging, and manufacturing processes • Eliminate unnecessary packaging materials and space • Eliminate hard-to-recycle plastic for packaging
Innovate	• Increase materials efficiency • Require sustainable fiber (certified or recycled) for packaging and paper • Increase recycled or ocean-bound plastics for products and solutions
Circulate	• Generate demand for recycled content • Choose materials with higher recycling rates worldwide • Enable circularity by incorporating safer chemical alternatives into produtcs, packaging, and paper

The [HP Materials and Chemical Management Policy](#) guides how we specify materials and chemicals for use in products, packaging, and manufacturing processes. This policy applies to all HP employees and businesses worldwide and extends to our suppliers. Our approach includes:

- Proactively identifying and evaluating materials used in our products and throughout our supply chain, and publicly providing information on the [material content of typical HP personal systems and printers](#).

- Prioritizing materials for restriction by assessing published lists of substances of concern, customer preferences, new or upcoming legal requirements, and sound scientific analysis that reveals a potential impact on human health or the environment. See [HP's General Specification for the Environment (GSE)](#).

- Working with and guiding our suppliers on replacing substances of concern with environmentally preferable alternatives. As of 2018, 98.5% of the total mass of HP products consists of chemicals and materials that are considered safer alternatives.[7]

When exploring safer alternatives to materials currently in use, we follow a precautionary approach. We follow the National Academies of Science publication *A Framework to Guide Selection of Chemical Alternatives* and incorporate the GreenScreen® for Safer Chemicals methodology.

Highlights from 2018 include:

- 75% of HP personal systems product series are low halogen[8]
- 100% of HP desktop PC external power supplies are low halogen[9]
- Beryllium has been restricted for all HP personal systems products that will ship in 2019 and beyond

For more information on our progress toward safer alternatives, see our [Green Chemistry Timeline](#).

As part of our full materials disclosure program, we require suppliers to report an ingredients list and the amount of each material used, with provisions to protect confidential business information. During 2018, we collected an inventory of more than 90% of substances by product weight for EPEAT® 2019- registered personal systems products.

HP contributes to standards, legislation, and improved approaches to materials use in the IT sector. We participate in [Green America's Clean Electronics Production Network (CEPN)](#), and during 2018 worked with CEPN to streamline and refine our alternative materials assessment guide, which we are donating to the industry. We are also involved in several projects under Clean Production Action, including the [Business-NGO Working Group (BizNGO)](#) and the [Chemical Footprint Project (CFP)](#).

[See how HP Multi Jet Fusion technology and processes support a cleaner, safer workplace in 3D printing.](#)

Increase materials efficiency

We work to continually reduce the volume of materials in new products to lower impacts associated with raw materials extraction and manufacturing. In 2018, we used approximately 1 million tonnes[10] of materials in our products and packaging, of which

390,000 tonnes (39%) were renewable. Materials use intensity (tonnes/$ millions of net revenue) rose by 5% for personal systems, compared to 2017, due partly to an increase in the average size of displays. Despite that change, materials use intensity in 2018 was 14% lower than in 2016, due to a shift toward thinner and lighter notebooks as well as a move toward ultra small form factors for desktops and workstations. Materials use intensity in printers fell by 12% between 2017 and 2018. The main factor was a continued shift toward smaller LaserJet and inkjet printers. See examples in [Home and office printing solutions](#). See materials use intensity [data](#).

Estimated materials use intensity for HP high-volume personal systems and printers*
(tonnes/$ millions of net revenue)

	Personal systems					Printers				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Metal	4.5	3.6	3.0	2.6	2.8	14.7	15.4	17.6	17.0	14.8
Plastic	1.9	1.5	1.6	1.4	1.5	28.0	30.9	33.8	31.6	28.0
Wires/cables	0.8	0.6	0.6	0.5	0.5	0.4	0.4	0.5	0.4	0.4
PCAs	0.7	0.6	0.6	0.5	0.5	1.7	1.7	2.0	2.3	2.0
LCDs	1.4	1.2	1.8	1.3	1.4	0.0**	0.0**	0.0**	0.0**	0.0**
Batteries	0.3	0.2	0.1	0.0**	0.0**	0.0**	0.0**	0.0**	0.0**	0.0**
Total	**9.4**	**7.7**	**7.7**	**6.3*****	**6.6**	**44.8**	**48.4**	**53.9**	**51.3**	**45.2**

* Personal systems and printer values are based on individual product data. Estimates for printer volumes do not include graphic arts, industrial, web press printers, scanners, or ink or toner cartridges. Product data for personal systems is based on calendar year for 2014–2015 and 2018, and fiscal year for 2016–2017. Product data for printers is based on calendar year for 2014–2015 and fiscal year for 2016–2018. Net revenue data is based on HP's fiscal year. In some cases, segments do not add up to total due to rounding.

** This value is stated as 0.0 due to rounding.

*** This total was updated to correct a calculation error stated in the HP 2017 Sustainable Impact Report.

Increase recycled content

We are both a supplier and user of recovered materials, incorporating increasing amounts of recycled and recyclable content into new HP products. This helps to accelerate the development of recovered materials markets around the world, which supports progress toward a circular economy.

Since 2016, we have also helped to reduce ocean-bound plastic while benefiting local communities through our sourcing initiative in Haiti.

POSTCONSUMER RECYCLED CONTENT PLASTIC GOAL

Use 30% postconsumer recycled content plastic across HP's personal systems and print product portfolio by 2025.[11]

PROGRESS THROUGH 2018

7%
achieved

Recycled plastic used in HP products
tonnes

Product group	2017	2018
Personal systems	8,080	8,360
Printers	1,260	4,790
HP ink cartridges	5,901	5,354
HP toner cartridges	2,921	2,746
Total	18,160[*]	21,250

[*] Total does not equal sum of segments due to rounding.

Ink and toner cartridges

We use a variety of plastics recycled from the HP Planet Partners recycling program to manufacture new HP ink and toner cartridges. See how HP ink cartridges get recycled.

Through 2018, we manufactured over 4.2 billion HP ink and toner cartridges using more than a cumulative 107,000 tonnes of recycled plastic. This has kept 830 million HP cartridges and an estimated 101 million apparel hangers and 4.37 billion postconsumer plastic bottles out of landfills, instead upcycling these materials for continued use. More than 80% of our Original HP ink cartridges contain 45–70% postconsumer recycled content, and 100% of Original HP toner cartridges[12] contain 5–45% post-consumer or postindustrial recycled content.

Hardware

We continue to use recycled content plastic (RCP) in our personal systems and printers—13,150 tonnes total in 2018.

Through our closed-loop recycling program for hardware, customers can return used electronic products to any one of about 1,000 Best Buy stores in the United States. Customers who return printers receive a 15% discount off a new HP inkjet printer. Best Buy recyclers process returned hardware and recover postconsumer recycled plastic resin for HP to use in new HP ENVY Photo 6200, 7100, and 7800 Printers.

Through 2018, the program:

- Recovered 694 tonnes of recycled plastic resin from recycled electronics for use in our printers (in addition to 2,276 tonnes recovered from other strategic recycling partners)
- Supported increased printer sales at participating Best Buy stores
- Reduced supply chain costs

In 2018, we worked to further expand and refine our RCP supply chain to support increased RCP use in HP products in 2019 and beyond.

Learn how we gain more value from materials through our product repair, reuse, and recycling programs.

Paper

We help customers print more sustainably by responsibly sourcing the paper we sell, facilitating more efficient paper use, and collaborating across the paper industry to encourage best practices. In our operations, we apply these principles through our Environmentally Preferable Paper Policy, the first forestry policy published by an IT company. We require our suppliers and licensees to follow this policy for the paper and packaging they provide.

To achieve our zero deforestation goal, all HP brand paper and paper-based packaging must be derived from recycled and certified sources. We continue to give preference to Forest Stewardship Council® (FSC®)-certified fiber where available. Programme for the Endorsement of Forest Certification (PEFC) certification or relevant national certification schemes can also be used if they comply with our paper policy. We work with WWF Global Forest & Trade Network (GFTN)– North America, FSC, and our suppliers to determine the source of virgin fiber and to increase the amount of certified fiber. HP reports progress annually to the WWF GFTN and CDP forests program.

The paper used by our customers in HP products represents about 21% of our carbon footprint and 35% of our water footprint. We help customers print more responsibly by designing printers and software to optimize paper use, defaulting many print fleets to double-sided printing, reducing paper waste through HP Managed Print Services, and improving the recyclability of paper by developing solutions for paper de-inking. See Zero deforestation.

HP brand paper represents 61% of HP fiber tonnage. Since 2016, we have met our zero deforestation goal for HP brand paper, as it is derived entirely from certified and recycled sources.[13] In 2018, the amount of FSC-certified fiber in HP brand paper continued to exceed 55%, by weight.

Paper-based product packaging represents 39% of HP fiber tonnage. In 2018, we:

- Expanded our program to include sub-tier packaging suppliers.
- Held about 15 meetings and training sessions with sub-tier suppliers, contract

manufacturers, and original design manufacturers, to support suppliers in meeting our requirements.

- Completed assessment of the status for 100% of HP's first-tier packaging suppliers and 55% of contract manufacturers and original design manufacturers who source packaging from sub-tier suppliers.

  ZERO DEFORESTATION GOAL
  Achieve zero deforestation associated with HP brand paper and paper-based product packaging by 2020[14]
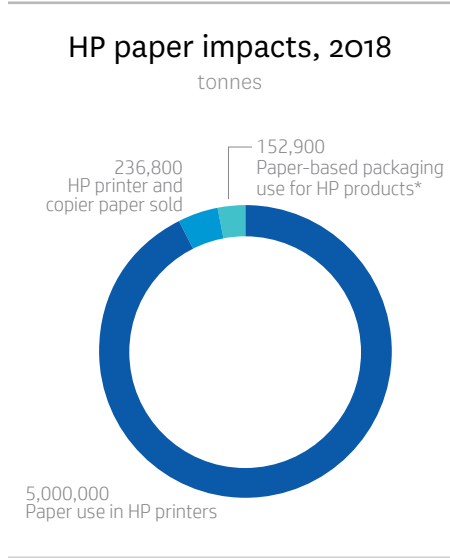
  PROGRESS THROUGH 2018
  # 100%
  achieved for HP brand paper in 2016 and maintained that performance through 2018. Reached 65% for paper-based product packaging

- Identified corrective actions to address by the end of 2019.

We analyze our supply chain to understand areas of specific risk (due to weak regulation or biodiversity risks) and create specific strategies as needed. To further support our goal related to packaging, we are working with WWF to develop a conformance assurance program. This will complement fiber certification and enhance due diligence by identifying high-level country risks including deforestation, forest loss, corruption, and illegal harvesting or trading of timber.

HP paper impacts, 2018
tonnes

236,800
HP printer and
copier paper sold

152,900
Paper-based packaging
use for HP products*

5,000,000
Paper use in HP printers

*Does not include packaging for commercial and industrial graphics printing solutions, or documentation for any products.

HP brand paper and packaging fiber sourcing, 2018

2%
Non-certified
fiber

12%
Limited knowledge
of source

14%
Recycled fiber

72%
Certifed fiber

Packaging

Our environmental packaging strategy focuses on elimination, innovation, and circulation, to enhance customer experience while driving progress toward the circular economy. We are making progress toward our goal to produce 100% of paper-based product packaging from certified and recycled sources by 2020 (see Paper for progress). We offer packaging take-back services, and regularly update our Recycle your HP packaging guide to help consumers avoid landfill.

To reduce our use of plastic, foam, and hard-to-recycle materials, we implemented molded fiber cushions on about 500,000
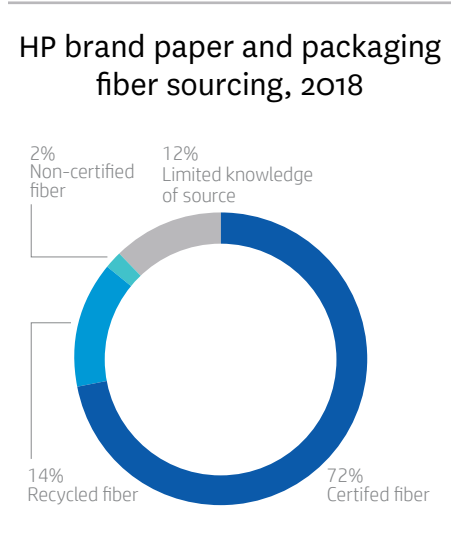
Omen Notebooks and more than 600,000 desktop personal systems during 2018, and plan to extend this approach to the majority of our commercial desktops and notebooks. This eliminates most of the plastic foam from the package, and during the year avoided 115 tonnes of plastic while increasing recycled fiber use by nearly 240 tonnes. We expect to make similar improvements to printer and displays packaging in the coming years.

By using ultra lightweight Semi-Chem paper for cartons, we saved more than 1,200 tonnes of corrugated notebook and desktop packaging in 2018. We also focus on documentation included in the box. During the year, we eliminated up to 65% of printed

documents in HP Chromebooks by removing and streamlining regulatory guides and warranty cards where not legally required.

During the year, we developed innovations to reduce our use of virgin plastic bags. We replaced the traditional bag on the Envy 7800 printer with thin shrink film, avoiding 79 tonnes of plastic bags. HP also introduced an innovative double layer plastic bag for the Envy 5055 printer. The solution bonds two bags (virgin plastic on the inside and RCP on the outside) to increase RCP use while maintaining the smooth surface of the virgin material that touches the product, to avoid scratching.

Our efforts extend beyond the package. During the year, HP used 88,000 pallets made from over 3,500 tonnes of straw that would otherwise have been burned as agricultural waste. Further, sourcing recycled pallets in North America enabled HP to avoid 571,000 new pallets in 2018.

During 2019, we plan to further increase our emphasis on recyclability and recycled content, reduce use of plastic foam cushioning and smaller plastic packaging components, and increase use of certified fiber-based packaging.

Packaging innovation in 2018

30
innovative projects reducing environmental impact

2,000 tonnes
of material reduced

6,500 tonnes
CO_2e avoided

$9.3 million
saved

15,500 tonnes
of recycled content material used

Product responsibility

We are committed to the safety, security, and privacy of our customers when they use HP products. The company maintains high standards in these areas, and continues to innovate across our portfolio.

Product safety

HP products are designed to operate safely. All HP branded electrical products undergo evaluations and testing to ensure that they meet our safety standards and the external standard IEC 62368-1. We work to identify opportunities for ongoing improvement in this area. We share extensive product safety information online to support our customers' informed purchasing decisions.

Safety Data Sheets are available for HP formulated products, including inks, toners, and 3D powders and bonding agents, and provide information such as physical, chemical, and toxicological properties, regulatory details, and recommendations to ensure safe handling. Many HP products also qualify for eco-labels and other certifications that cover health and safety as well as environmental aspects.

Regardless of where they are sold, all HP branded products conform to international electrical safety and electromagnetic compatibility standards. View Declarations of Conformity for European Union requirements. Contact HP's product compliance customer support at techregshelp@hp.com regarding declarations for other countries.

In 2018, focus areas included:

- **Materials of concern:** We take a science-based approach to evaluating and restricting chemicals and materials in HP's products and supply chain. See Materials innovation.
- **Battery safety:** Our cross-functional team works to assess and continually improve rechargeable battery safety.

Product security and privacy

Cybersecurity is an increasing concern of our customers worldwide. We continually enhance HP products, solutions, and services to offer industry-leading resiliency capabilities that anticipate an ever-evolving attack and threat landscape.

We follow security and privacy by design principles for all our products, from design through customer use, refurbishment, and recycling. We build protection, detection, and recovery into the device, not just the software, providing customers with separate, auditable mechanisms for managing security risks. To protect against the malware of the future, PCs and printers must have hardware-level security that integrates seamlessly with the customers' broader IT network security infrastructure. This is the foundation of our strategy.

HP's Security Management Review Committee oversees our portfolio-wide approach to security and provides the resources needed to support HP's continued leadership. An external Security Advisory Board, consisting of three members with broad background in offensive and defensive security, advises us of the ever-changing threat landscape, augmenting our own work and research through HP Labs. All three members have first-hand expertise in the world of hacking and the latest developments in security technology and strategies.

We continually conduct threat analysis on emerging attack vectors, which in turn helps guide product security development efforts. We employ cybersecurity specialists and conduct cybersecurity architecture reviews, penetration testing, code reviews, and automated code scanning using industry-leading tools. When issues arise, we take appropriate actions to remediate reported security vulnerabilities.

In 2018, we adopted the industry best practice Coordinated Vulnerability Disclosure approach, which describes how we work with partners, industry, and the security community to address vulnerabilities. When notified about a suspected vulnerability, we investigate thoroughly and, if confirmed, work with the submitter on remediation and a coordinated public release of information.

The HP supply chain security group works to ensure that our products can resist attacks throughout the supply chain life cycle, from component sourcing and manufacturing to transportation, service, and take-back. Our HP Product Cybersecurity Standard for Suppliers, enforced through periodic audits, contractually holds all suppliers to requirements that mitigate the risks of counterfeits, malware, and tampering.

Personal systems

HP produces the world's most secure and manageable PCs and workstations.[1] Our commercial PCs with HP Sure Start meet and exceed the National Institute of Standards and Technology's (NIST) Platform Firmware Resiliency Guidelines.

The HP Endpoint Security Controller (ESC) is our foundation and has been certified by a third-party lab. It establishes a Hardware Root of Trust and is physically isolated from the machine's CPU and operating system (OS), providing resiliency to the device BIOS, OS, and critical OS applications. HP also uses an industry standards-based discrete Trusted Platform Module, certified to Common Criteria EAL4+.

HP Sure Start[2] automatically recovers firmware to a known good state, and HP Sure Recover[3] provides automatic, fast recovery against destructive attacks. To ensure critical security features cannot be accidentally or maliciously disabled, HP Sure Run[4] delivers cryptographically verified persistence.

HP Sure Click[5] provides hardware-based isolation for malware delivered through websites or common attachments. Harnessing Deep Learning technology, HP Sure Sense[6] delivers real-time prevention against never-before-seen malware. To address visual hacking of onscreen confidential data, HP Sure View[7] is offered across many notebook PCs, AiO desktops, and displays.

To help HP Device as a Service (DaaS) customers better protect against, understand, and respond to threats, we offer HP DaaS Proactive Security.[8] This service delivers enhanced security through real-time threat isolation technology, protecting against malware introduced through email, browsers, and files, and extends the insights and reports provided by HP TechPulse analytics.

HP offers manageability solutions for both enterprises and small businesses.

Learn more.

Printers

HP's printers and multifunction printers offer the industry's strongest security features,[9] and our FutureSmart printers meet and exceed the NIST Platform Firmware Resiliency Guidelines.

HP FutureSmart printers automatically self-heal and recover from attacks, following four unique and automated steps:

- HP Sure Start validates the BIOS and, if compromised, self-heals with a safe "golden copy."
- Whitelisting authenticates that the firmware is authentic and has not been tampered with before running it.
- Run-time intrusion detection continually monitors memory activity to detect and stop attacks, and then recover the device to a secure state.

• HP Connection Inspector analyzes outgoing network connections to stop suspicious traffic, and if necessary, recover the device to a secure state.

Our bug bounty program for printing devices, launched in 2018, offers rewards for bug bounty researchers who expose flaws in our print technology. This initiative integrates and leverages highly trained, geographically diverse ethical hackers with deep, hard-to-find technical skills and unleashes them to find obscure, previously unidentified vulnerabilities in our devices before they are released to market.

HP JetAdvantage Security Manager is the industry's only comprehensive policy-based printer security compliance tool that assesses and remediates HP printer fleets. For security administrators in 2018, HP strengthened our position as the easiest print fleet to secure and manage with new integrations including Microsoft System Center Configuration Manager^Δ and McAfee SIEM, which complement our existing certified integrations with Splunk, ArcSight, and SIEMonster tools.

HP Print Security Services—combined with innovative device, data, and document security—helps customers protect their fleets, address compliance requirements, and proactively identify gaps in defenses. Our Credentialed Security Experts and trained print specialists work with customers to assess their printing environment, develop and implement a plan, and provide ongoing management.

Products and solutions portfolio

HP aims to deliver technology that improves lives and enables our customers and consumers to achieve more, safely, and with less environmental impact. Through our portfolio of products and services, we create shared value for planet, people, and the communities where we live, work, and do business.

• From laptops and workstations to gaming and VR devices, we design our personal systems products and services to provide customers the security, durability, and energy and materials efficiency they expect and depend on.

• As the global leader in home and office printing solutions, we continue to redefine the marketplace, delivering sustainable next generation solutions and service-based models to meet the needs of our customers globally.

• Our commercial and industrial graphics printing solutions are driving the analog-to-digital revolution, transforming our customers' supply chains and better matching supply with demand across the 2D printing and publishing industries, as well as other commercial and industrial sectors such as packaging and labeling.

• HP 3D printing technology is driving transformation across sectors, changing how whole industries design, make, and distribute products for a more sustainable Fourth Industrial Revolution.

Investing in R&D

HP is reinventing the future through transformative technologies that will disrupt industries and economies around the world.

In 2018, HP spent $1.4 billion on ongoing product development and creating the transformative and disruptive technologies of the future. We invest in areas where we can make the greatest impact, and we integrate sustainability into our research agenda. Read more at hpmegatrends.com.

The vast majority of our R&D spending is focused on inventions and development for products that will be released in the next one to two years. The remaining amount is roughly split in two areas. The first part is dedicated to new business creation (including 3D printing and microfluidics). The rest is spread across HP Labs and the business units for developing technologies that will mature over the following three to seven years.

At HP Labs, we focus on new technologies that will either result in new business creation, fundamental breakthroughs in science, or new product categories. Key areas of research include:

• Artificial Intelligence and emerging compute
• Print adjacencies and microfluidics
• Security
• 3D printing
• Digital manufacturing

As of October 31, 2018, HP's worldwide patent portfolio included over 26,000 patents.

See Personal systems, Home and office printing solutions, Commercial and industrial graphics printing solutions, and 3D printing for examples of innovation in each of our product groups.

Personal systems

From our commercial and consumer desktop and notebook personal computers to workstations, thin clients, displays, and other products, HP Personal Systems continues to deliver the breakthrough innovations in productivity, security, durability, upgradeability, and environmental performance that our commercial and home users demand. Through growth in key industry verticals, including education and healthcare, and through emerging product categories, such as blended and virtual reality and gaming, we are expanding opportunities for end users to create, innovate, and inspire.

Sustainable standards and certifications

HP is fully committed to product development in line with a range of exacting, third-party eco-label requirements. We share our leading practices across the industry, including contributing to standards development. From 2014–2018, HP helped revise IEEE 1680.1, the standard used for EPEAT® in PCs and displays.

World's first Gold and Silver EPEAT 2019 personal systems products

In February 2019, HP achieved an important milestone by becoming the world's first manufacturer to register EPEAT 2019 Gold and Silver Desktops, Notebooks, All in ones, Workstations, and Thin Clients.

Driven by HP's Design for Sustainability program and the pursuit of EPEAT 2019 Gold, HP's engineers designed several improvements into the HP EliteBook x360 1030 G3, HP Elite x2 1030 G3 Tablet and HP EliteDesk 800 G4 65W Desktop Mini PC. These improvements include using high-efficiency external power supplies and replacing specific chemicals of concern with safer alternatives. HP looked beyond the products to reduce the environmental footprint of our own operations and those of our suppliers, actions that also achieved optional EPEAT criteria. For example, HP worked with our top display panel and integrated circuit suppliers to reduce their GHG emissions. HP also achieved 95% renewable electricity use for seven key HP Personal Systems sites.

See the complete and growing list of HP products registered under the updated EPEAT 2019 eco-label criteria at the gold and silver tiers.

Leading on TCO certification

We also became the first company with TCO-certified products across all our platforms, and we supported the development of the new TCO-certified for business notebooks and business desktops. Launched in December 2018, we were one of only four companies with products certified for this eighth-generation standard. See Product certifications and disclosures.

Energy efficiency

The ongoing transition to smaller personal systems products continues to reduce energy use and associated GHG emissions. Since 2010, the energy consumption of HP personal systems products dropped by 44%, on average.[1] Between 2011 and 2018, we reduced the annual energy consumption of HP EliteBook 840 or equivalent by 26% and HP EliteDesk 800 small form factor desktops by 42%. In 2018, 10 Elite Displays made the ENERGY STAR® most efficient list, and we successfully completed the transition to ENERGY STAR 7.1. This standard tightens the requirements for all notebooks, yet we were able to maintain ENERGY STAR certification for the majority of our portfolio. During the year, 100% of HP business desktops used high-efficiency (ECOVA 80+) internal power supplies.

Reduction in energy consumption of HP personal systems products

% decrease since 2010

	2010	2015	2016	2017	2018
Desktops	n/a			49%	47%
Notebooks	n/a			32%	34%
Workstations	n/a			36%	34%
Overall	**n/a**	**25%**	**34%**	**43%**	**44%**

Dematerialization and recycled content

We have continued working to shift our portfolio toward more materials-efficient products. For example, we reduced the weight of our HP 800 G5 notebooks compared with the prior G4 series and moved from a magnesium/aluminum/plastic chassis to a primarily aluminum chassis—to facilitate materials recycling and reuse, and to lower the product carbon footprint. Although materials use intensity in personal systems increased by 5% in 2018 compared to the prior year, it has decreased 14% versus 2016.

We are also working to increase the use of postconsumer recycled (PCR) plastic in our personal systems portfolio. As one example, our HP 400 G5/G6 ProBook series, launched in November 2018, has more than 10% PCR plastic compared with no recycled plastic content in the prior generation. HP Elite displays, which meet criteria for TCO Edge certification, contain around 85% PCR plastic content.[2] During 2018, more than 15% of the total plastic that HP shipped in its personal systems products was postconsumer recycled content, equivalent to 8,360 tonnes. Our business PCs and displays include 24% recycled plastic content, on average.[3]

Durability and repairability

We design our products to be highly durable and easy to repair, and we extend the life of our personal systems through

refurbishment programs. This benefits customers while capturing more value from natural resources and reducing environmental footprint. We test the quality and durability of our Pro and Elite business notebooks, Elite business desktops and all-in-ones, and select thin clients using the rigorous MIL-STD-810G standard. For further details, see our technical white paper, Testing the business ruggedness and reliability of HP Business PCs.

Several HP products have received high scores from the iFixit product repair site, including the following:

- In 2018, we launched the HP Elite x2 1013 G3, an EPEAT® Gold tablet with an iFixit repairability rating of 9 out of 10.
- In early 2018, the EliteBook 800 G5 Business Notebook series received a 10 out of 10 iFixit repairability score.

Following our HP EliteOne 1000 G1 in 2017—our most serviceable AiO[4]—our HP EliteOne 1000 G2 Base Desktop PC is our first desktop with an upgradeable PC base and display. This enables customers to upgrade and reconfigure flexibly by keeping their display from the G1 series.

Device as a Service

Our expanding personal systems Device as a Service (DaaS) offering provides customers the latest HP technology while improving cost predictability and enhancing productivity. Business customers can upgrade their products to the latest and most efficient

models, while avoiding the up-front costs of purchasing. In 2019, we completed a preliminary LCA comparing HP's DaaS offering for commercial PCs with traditional transactional sales offerings. Learn more.

Life cycle management

When HP products reach end of use, we offer a range of options for enterprise customers and consumers to properly return, renew, refurbish, or recycle products and materials. Through these activities, we are helping to grow the supply chain and market for recycled materials and make progress toward a circular economy business model.

HP's Recover and Renew Services are a key element of life cycle management, providing comprehensive solutions to securely recover, repurpose, or recycle our business customers' HP or non-HP devices when they reach end of use.

- **HP Device Recovery Services**: Securely retiring, collecting, and responsibly processing end-of-use devices enables recovery and reuse of as much material as possible, giving the device a new purpose, extending its lifespan, and reducing negative environmental impact. Customers receive residual value, a certificate of data sanitization, a report detailing the environmental benefits, and peace of mind that relevant requirements and regulations governing disposal have been met.
- **HP Recycling Services**: Enabling a smooth transition to new devices while adhering

to customer policies for device end-of-use management and supporting social initiatives and environmental directives.

- **HP Sanitization Services**: Ensuring confidential data is secured and erased, or the storage media is destroyed, before removing or recycling customers' old devices.

Through our closed-loop recycling program for hardware, customers can return used electronic products to any one of about 1,000 Best Buy stores in the United States. Learn more.

See additional examples of Eco Solutions personal systems products.

HP education products support our goal to deliver better learning outcomes for students, schools, and communities worldwide. Our HP Education Edition devices are built for the classroom, endure rigorous durability testing, and meet strict battery life requirements. See Global education programs.

Printing

Building on the industry's most complete portfolio of innovative printing solutions, HP is capitalizing on digital trends that will make print even more sustainable, accessible, relevant, and personal. From home and office to commercial and industrial graphics printing, HP is creating the products, services, and solutions that will define the

print experiences of tomorrow. Sustainable Impact is at the heart of our innovation, creating new possibilities for our customers and supporting the drive toward greater energy efficiency, lower carbon footprint, and reduced waste.

Vision for a forest positive future

In March 2019, HP announced its bold vision for print sustainability—pledging to make printing with HP forest positive, carbon neutral, and part of a circular economy. Our Forest Positive Framework[5] will initially focus on consumer printing. In addition, our Print business is concentrating its current circular economy efforts on increasing the use of recycled content, in line with our goal to use 30% postconsumer recycled content plastic across HP's personal systems and print product portfolio by 2025.[6] We are also accelerating the transition to more sustainable fiber-based packaging, already deployed in several of our products including HP Tango printers.

Home and office printing solutions

As the global leader in home and office printing, we continue to redefine the marketplace, delivering next generation solutions and service-based models that meet and anticipate customers' needs. For the home and office user, HP offers a powerful range of home and office printing

products and solutions. Across our portfolio, we continue to deliver innovations to improve performance while reducing use of plastic, other materials, and energy. We responsibly source the paper we sell and design printing and software to optimize paper use, including through duplexing technologies.

We are making significant investments to increase recycled plastic resin in our products and used 4,790 tonnes in our home and office printer fleet in 2018, about 3.8 times the amount the prior year. Between 2017 and 2018, we reduced materials use intensity in our printers by 12%. See Materials innovation.

HP is a leader in eco-label-certified home and office printing products. See product certifications and disclosures.

In 2018, we completed or updated 22 life cycle assessments of HP desktop and enterprise printers. These help us to understand the environmental impacts of our products and solutions and inform our sustainable design decisions.

Product innovation

HP ENVY photo printers: The world's first in-class printers made with closed-loop recycled plastic
HP ENVY 6200, 7100, and 7800 are the world's first in-class printers made from recycled printers and other electronics – more than 10% by weight.[7] In 2018, we increased the recycled content plastic in some HP ENVY photo printer models to

20–30% by weight. We also increased the amount of recycled plastic in HP Envy 6255 Photo Printer sold at Best Buy to more than 30% by weight.

HP Tango: A smart, more sustainable home printer
In 2018, we launched the HP Tango, an interconnected and interoperable voice activated printer. Designed with recyclability in mind, we have minimized the number of materials and made it easy to separate dissimilar substances. High-priority parts are simple to disassemble and repair. The printer is made with more than 30% closed-loop recycled plastic by weight using plastic from recycled printers and other electronics, and its Original HP cartridges include 48–73% recycled plastic. HP Tango is ENERGY STAR® and EPEAT® Gold certified. HP Tango uses recycled molded pulp packaging cushions and high recycled-content corrugated cartons, reducing plastic foam use by an estimated 22 tonnes in 2018–2019. This demonstrates our ongoing shift toward more sustainable fiber-based packaging in HP personal systems and print products.

HP A3 PageWide: Best-in-class energy performance
HP A3 PageWide printers and multifunction printers use up to 70% less energy[8] than comparable laser printers and reduce carbon footprint by up to 45%.[9] By using HP Original PageWide cartridges, they also use up to 77% less materials from supplies and packaging per printed page.[10] Many

A3 PageWide products are EPEAT Gold registered and all contain at least 6% and up to 10% recycled plastic content. In 2018, HP introduced additional A3 printers, bringing these benefits to a broader set of customers.

We design our products to be sensitive to our customers' working environments. To satisfy demanding particle requirements that our customers might have, we commissioned additional, independent cleanroom testing based on the ISO 14644-14:2016 standard. The testing was designed to determine whether the printer contributes to particle contamination in environments with rigorous cleanliness standards. HP A3 PageWide printers meet at least the standard for ISO Class 7.0 cleanrooms, when operated with Original HP cartridges.

See additional examples of Eco Solutions printing products.

Product-as-a-service
Our product-as-a-service printing solutions provide customers with the up-to-date technology they need, when they need it. At the same time, this business model helps keep products, components, and materials operating at a high level for as long as possible.

HP Managed Print Services (MPS) helps clients manage and optimize their printer fleets and digital workflows, by combining hardware, supplies, software, and consulting and management services. By servicing and maintaining printer fleets, and refurbishing and redeploying units as feasible, we

keep printing equipment in use for longer. Preparation for remarketing includes testing and secure data cleansing, while non-functional equipment is recycled responsibly in accordance with HP policies.

HP print cartridges
HP designs its products and services to help customers reduce materials use. Our focus on larger supplies yield, our continuous ink supply system (CISS), and HP Instant Ink all decrease the amount of printer cartridge material used per page printed and help customers be productive with a lower environmental footprint.

HP's groundbreaking closed-loop recycling program uses plastic from recycled Original HP cartridges (plus recycled bottles and hangers for ink cartridges) to create new Original HP cartridges.[11] See Closing the loop on plastics.
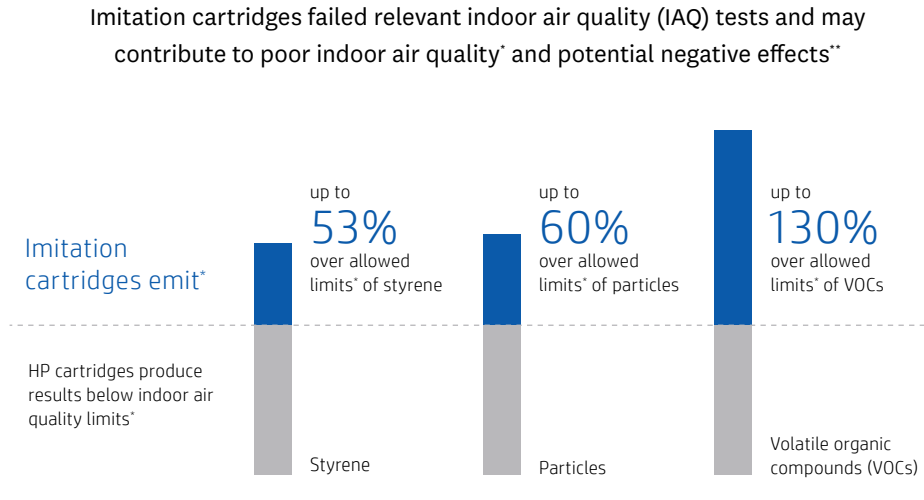
Innovation in product delivery also improves environmental performance. HP Instant Ink helps home users and microbusinesses in 18 countries remain productive by ensuring they never run out of ink.[12] The service anticipates when ink is running low and sends replenishments and new recycling envelopes straight to our customers' doors. In addition to the benefit of convenience, our customers also save money—up to 50% on ink[13]—while decreasing the carbon footprint of ink purchase and disposal by 84%, reducing energy use by 86%, and lowering water usage by 89%.[14]

Circular economy leadership

HP has been recognized by the Sustainable Purchasing Leadership Council for an initiative to facilitate circular economy principles in EU public sector procurement.
HP developed easy-to-use key procurement criteria that create a level playing field for all legal printer cartridges and that are verifiable using international standards and eco-labels. The recommended criteria cover compliance; environmental, health, and safety; and quality and reliability.

Imitation cartridges failed relevant indoor air quality (IAQ) tests and may contribute to poor indoor air quality* and potential negative effects**

Imitation cartridges emit*

up to
53%
over allowed limits* of styrene

up to
60%
over allowed limits* of particles

up to
130%
over allowed limits* of VOCs

HP cartridges produce results below indoor air quality limits*

Styrene   Particles   Volatile organic compounds (VOCs)

*Dec 2017 WKI Blue Angel Indoor Air Quality compliance study, commissioned by HP. The study tested New Build Compatible toner cartridge brands sold as substitutes for HP LaserJet Pro MFP M425dn with cartridge 280A. The tests were carried out in compliance with Blue Angel labeling of office equipment in accordance with RAL-UZ-205P. For details, see http://h20195.www2.hp.com/v2/getpdf.aspx/4AA7-1981ENW.pdf.

**https://echa.europa.eu/substance-information/-/substanceinfo/100.002.592, https://www.eea.europa.eu/signals/signals-2013/articles/indoor-air-quality, https://www.epa.gov/indoor-air-quality-iaq/introduction-indoor-air-quality

Commercial and industrial graphics printing solutions

For commercial and industrial customers, HP's printing technology is designed for sustainability, quality, workplace safety, and cost. The shift from analog to digital production in the printing, publishing, packaging, and labeling sectors presents opportunities to reduce waste due to the elimination of printing plates, make-readies, and intensive cleaning cycles associated with analog printing. Additionally, more agile and on-demand printing, with cost-efficient short runs, also reduces inventory waste, which enables companies to engage with consumers in new and exciting ways, including through customized and quicker-to-market printed products. Throughout the last two decades, HP has continually extended the benefits of this transformation into new industries and applications (see graphic on next page).

We offer one of the most complete portfolios of commercial and industrial print and imaging technologies, supported by the industry's best security, workflow, mobility, and fleet management solutions. Our service-based offerings and comprehensive repair, reuse, recycling, and end-of-service solutions enable customers to deliver more sustainable results and drive progress toward a circular economy.

Original HP toner cartridges: A more responsible choice than imitation cartridges
Original HP toner cartridges provide environmental advantages over imitation cartridges.[15] They meet relevant EPEAT® and Blue Angel guidelines on air emissions, and help protect indoor air quality as part of a certified printing system, requiring fewer reprints[16] and service calls,[17] and producing lower GHG emissions.[18] In addition, HP cartridges can be recycled responsibly through the HP Planet Partners program and are backed by HP's rigorous and

transparent sustainability program, whereas manufacturers of imitation cartridges don't offer convenient recycling programs.

Three independent studies we commissioned were published in December 2017 (the first bullet) and 2018 (the other two bullets):

- One study outlined indoor air quality advantages of Original HP toner cartridges compared to imitation cartridges (see graphic).[19]
- The second study found that imitation cartridges had a larger environmental

impact than Original HP toner cartridges in all study areas over their lifetime, including 40% more energy usage, 54% more fossil fuels consumed, and a 55% larger carbon footprint.[20]

- The third study concluded that up to 97% of all imitation cartridges will go to municipal waste rather than being recycled, due to a lack of manufacturer recycling and remanufacturing processes.[21]

Driving the analog-to-digital shift in commercial printing and the transformation to water-based inks

Latex (signage) → **Food contact materials** (packaging, product identification) → **Textiles**
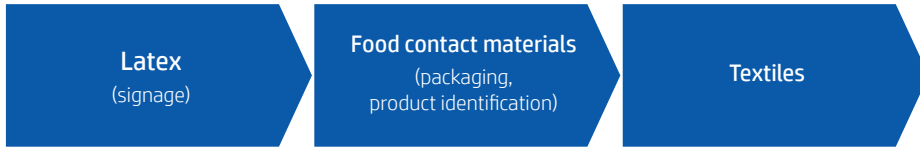
...and creating benefits across the printing value chain

Printing service providers	• Employee/operator safety • Less waste and air emissions
Brands	• Safe uses: HP expertise • Sustainability and regulatory support, e.g, eco-labels • Supply chain safety and transparency
Customers	• Safety • Sustainable printing and packaging

Design for Sustainability

Water-based inks

Water-based inks offer a range of benefits, particularly when designed with sustainability in mind. Positive features include low odor, easy handling and cleanup, use of prioritized, lower hazard materials, and, for specific inks, suitability for sensitive applications such as food packaging, signage in restaurants or schools, and children's books. Developing new inks with lower hazard components provides a better solution for printer operators, end customers, and the environment. We continue to invest in water-based technologies to extend the range of printing applications, including in

areas that have traditionally required more hazardous materials. In April 2019, we announced our HP Stitch textile printer series, our water-based digital textiles solution.

In 2017 and 2018, we introduced PageWide true water-based inks for corrugated packaging applications, in compliance with leading food safety standards. In addition to primary and secondary food packaging, these inks are also used for other types of product packaging, including cosmetics and personal care, infant care, and toys.

During 2018, we also launched the new generation of HP Latex inks, which extends the benefits of water-based inks to rigid applications. This market, traditionally dominated by UV ink, now has a better alternative not reliant on reactive chemistries.

Clean colorant technology

For more than 20 years and as part of HP's long-standing Design for Sustainability program, HP has gone beyond legal requirements to define and apply our own strict safety criteria to ink formulations. One priority area is ongoing research and development on colorants. This is an increasing focus among eco-labels and brands, due to associated health and safety considerations.

Safety compliance in sensitive applications

As a leader in printing solutions and inks, we enable customers that use our PageWide Industrial and Indigo Presses and Specialty Printing Systems products to deliver robust safety compliance and transparency in sensitive applications such as food packaging, signage, and decoration. Across our graphics printing solutions business, we provide HP customers with summaries of regulatory compliance and environmental attributes. These cover dimensions such as chemical inventory status, regulated materials, emissions, human and ecological health, transportation, waste, de-inkability, suitability for special applications (such as food packaging), and recyclability.

EH&S leadership for print service providers and brands

Our printing presses offer significant benefits to print service providers and their workers. Based on a recent internal study, HP's digital water-based presses showed significant reductions in waste, water use, and air emissions when compared to analog printing presses (including flexographic, lithographic, and rotogravure technologies). Our low emission, water-based ink chemistries decrease the chance for worker exposure to potentially harmful substances. Automated color calibrations, minimal mechanical interaction, and minimal cleaning can also contribute to improved worker health and safety.

In 2018, we tested the HP T1100 Web Press to EPA Method 25A for total volatile organic compound (VOC) air emissions. The test confirmed low VOC emissions from our water-based inks and demonstrated compliance with California Best Available Control Technology requirements.

Compostable, recyclable printing solutions

Most inks are not biodegradable or compostable, but this is increasingly important in order to meet growing demand for compostable packaging. As part of HP's testing and certification program, HP Indigo ElectroInk underwent chemical analysis and plant toxicity tests and has been independently certified as compostable in conformance with the EN 13432 standard. In 2018,

Papiertechnische Stiftung (PTS) of Germany verified that corrugated packaging printed with our PageWide true water-based inks is easily recyclable using standard industry technology.

Product certifications and brand guidance

To demonstrate strong health, safety, and environmental performance, we design our presses and inks to qualify for a range of eco-labels. UL ECOLOGO®, which covers a broad range of dimensions, relates to water-based inks. GREENGUARD GOLD relates to Latex inks and specific applications such as wallpaper. Oeko-Tex certifies strong performance in textiles printing. Relevant HP products qualify for each of these certifications.

HP product stewards work directly with our commercial customers in sectors such as apparel, food, and consumer products, to understand and meet the demands of their industries and help improve the sustainability performance of their brands. For example, our new textiles ink has been tested to and proven compliant with the Nike Restricted Substances List for health and environment and our food contact materials comply with the Nestlé guidelines.

3D printing

HP's 3D printing (also known as "additive manufacturing") technology has the potential to transform how entire industries design, make, distribute, use, repair, and

reuse products. This transformation will drive progress toward a more sustainable and inclusive Fourth Industrial Revolution, in which people can turn ideas into finished products in a more efficient, economical, and environmentally responsible way.

In 2018, HP launched the Multi Jet Fusion 3D 500/300 series, its newest generation of 3D printers. These integrate material mixing and loading, printing, and reclaiming material in one machine, which makes it ideal for small/medium-sized product development teams, design firms, and universities. These products complement the company's industrial-scale printers, which are used for prototyping and final part production.

HP is also collaborating with production service partners to provide customers with 3D printed stainless steel parts, using the HP Metal Jet printer. The technology, announced in 2018, provides up to 50 times more productivity[22] at a significantly lower cost[23] than other 3D printing methods. The Metal Jet Production Service will begin fulfilling production-grade orders in 2019.

Materials innovation

HP Jet Fusion 3D printers enable industry-leading surplus material reusability of up to 80%.[24] The thermoplastic materials used in our printers also offer potential for recycling of printed parts as the technology scales.

Supporting progress toward closed-loop systems, we are working with

early customers to develop and prove the capability to economically recover and recycle scrap 3D printed parts from customers into materials for injection molding. This complements our HP Planet Partners program which offers free recycling of 3D print cartridges.[25]

One of our newest 3D printing materials (PA11), launched in 2018, is a 100% bio-based content polymer derived from non-GMO castor bean oil. A 2017 ISO14040/44-compliant LCA demonstrated that parts made with PA11 had a 28% lower carbon footprint compared with other polymers.

Reducing GHG emissions and waste

Compared to traditional manufacturing, 3D printing can drive lower GHG emissions and waste throughout the product life cycle. HP commissioned an independent, ISO-compliant, peer-reviewed life cycle assessment in 2017 that compared the

impacts of manufacturing a plastic auto part using HP Jet Fusion 3D printing compared to injection molding. The study found that Jet Fusion reduces GHG emissions and resource consumption per unit at volumes up to 1,500 parts for one type of plastic and up to 5,200 parts for another. This is due to avoiding the need to produce molds as well as the ability to create more materials-efficient designs, such as honeycomb structures, which can only be realized with additive manufacturing. These parts also demonstrate the potential value of reducing GHG emissions over a car's lifetime through light weighting.

More comfortable workplace

In a recent HP assessment, our Multi Jet Fusion technology performed in the top level in eight of nine health and environmental dimensions and better overall than specific 3D printing systems in the other 3D printing technologies assessed.[26]

Healthcare innovation

Production volumes for items such as medical devices and prosthetics are low, making them expensive to manufacture in traditional ways. 3D printing makes it economically viable to create highly personalized parts in small quantities.

iOrthotics, based in Australia, was the first orthotics manufacturer to completely transition from polypropylene milling to 3D printing. This faster method for making customized orthotic devices that are significantly stronger reduces waste per unit by about 90% compared to the previous process.

HP Multi Jet Fusion technology supports a more comfortable workplace through an enclosed printing system and automatic materials management.[27]

HP is a leader in air emissions testing and exposure assessments for 3D printing systems, which we design to meet stringent indoor and outdoor air quality standards. For example:

- HP Jet Fusion printers complete third-party air emissions testing; results have shown that VOCs, aldehydes, and coarse, fine, and ultrafine particles were well below occupational exposure limits (OELs).
- All materials considered for use in the printing process are pre-screened to identify formulation components that may be substances of concern regarding airborne exposure.
- Individual VOC emissions levels measured during printing are typically one to two orders of magnitude lower than the relevant OELs.

Inclusive and sustainable Fourth Industrial Revolution

A distributed manufacturing model will enable economically viable production at a smaller scale, lowering barriers to entry and encouraging new business growth. 3D printing also enables other innovations and applications such as critical infrastructure repair. See our white paper on the transformative potential of 3D printing.

Investments in educational and job-skilling programs will be essential to prepare for the radical shift in job requirements in this new digital industrial economy. In 2018, HP launched the HP-NTU Digital Manufacturing Corporate Lab in Singapore in partnership with Nanyang Technological University, Singapore (NTU Singapore), and the National Research Foundation (NRF) in Singapore. The Lab aims to drive innovation, technology, skills, and economic development critical for the advancement of the Fourth Industrial Revolution. In 2018, HP LIFE also launched a 3D printing course module, to help empower entrepreneurs to build businesses and pursue careers related to this new technology.

Global education programs

Access to a quality education is a fundamental human right. This belief is at the core of our global education programs and solutions, which emphasize access for all and deliver educational opportunities to girls, women, and some of the world's most vulnerable and marginalized communities. Whether learning takes place in school, on campus, outside of the classroom, or at work, technology is essential to providing equitable access to education and preparing people with critical skills needed for the future.

OUR GOAL

Enable better learning outcomes for 100 million people by 2025, since the beginning of 2015

PROGRESS THROUGH 2018

21 million+

students and adult learners have benefited from HP's education programs and solutions that advance quality learning and digital literacy, and enable better learning outcomes since the beginning of 2015

HP is creating conditions for better learning outcomes for all people, to advance inclusion, foster equity and equality, and accelerate economic opportunity. Our programs and initiatives are either funded by our business groups or the HP Foundation.

Campus of the Future

HP's Campus of the Future framework creates vibrant, secure environments for teaching, learning, research, and collaboration. As part of this initiative, announced in 2018, HP is working with more than 20 elite colleges and universities, providing cutting-edge technologies alongside financial and technical support. These collaborations are exploring the types and uses of 3D printing (additive manufacturing), virtual reality (VR), and augmented reality (AR) to identify those technologies with the greatest potential for teaching, learning, and research. Innovations

during the year included:

- **Harvard University:** Using AR headsets provided by HP, faculty reinvented how they teach students about magnetic fields and electricity, creating an immersive experience that enables students to see segments of the electromagnetic spectrum outside the visible range.
- **Case Western University:** Professors used AR/VR technologies to augment traditional anatomy teaching. Students who used 3D simulations learned the course material in 60% of the time compared with students who used cadavers.
- **Yale University:** HP technology powered the university-wide Yale Blended Reality program, helping to transform a diverse range of disciplines, from comparative literature to physics. Professors and students leveraged new capabilities afforded by HP technology to remove barriers to learning, open creative possibilities, improve student engagement, and reduce costs. See the Blended Reality report.
- **Rice University:** Through OpenStax, a nonprofit educational initiative based at the university, we have announced plans to create an open source textbook on additive manufacturing to help prepare workers for the Fourth Industrial Revolution.

For more information, see Learning in Three Dimensions: Report on the EDUCAUSE/HP Campus of the Future Project.

Classroom of the Future

An estimated 65% of students in today's primary schools will work in jobs that don't yet exist. We are reinventing the classroom in ways that engage students and empower educators to prepare for the future.

This includes driving innovative, experiential learning with HP Learning Studios at more than 100 schools in 2018 across North America, Europe, the Middle East, Australia, and New Zealand. We are also working with schools on AR and VR, opening the door to immersive, project-based learning that enables students to use essential tools of the future.

We also offer tools and technologies that boost teachers' vital contributions. Every Windows 10-based HP Education Edition PC ships pre-loaded with HP Classroom Manager. Through one console, teachers can cultivate a collaborative learning environment, monitor student activities, and evaluate progress in real time. With co-molded industrial rubber, pick-proof keys, and other rugged features, these PCs are built to last in the classroom and tested in a laboratory environment that simulates a school setting.

HP shipped more than 5 million PCs to schools in 2018, reaching a cumulative total of about 20 million.

HP School Cloud

HP School Cloud is a hybrid cloud appliance enabling students and teachers in rural, poor, and marginalized communities to access free, high-quality open source educational resources—even without an Internet connection. Featuring the HP Open Learning Platform and in partnership with OpenStax, HP School Cloud provides access to millions of e-textbooks and thousands of lessons on reading, science, mathematics, and more. Resources are intended to align with international curricular and instructional standards from UNESCO, OECD, and others. HP aims to reach 1 million learners by 2025.

HP also collaborates with Learning Equality to create affordable and accessible educational solutions for schools that combine hardware and a learning management system based on free and open source applications.

HP National Education Technology Assessment (NETA)

Through NETA, HP Education helps ensure that schools teach the skills that employers need. Using a combination of macroeconomic analysis, hyper-local insights, and predictive analytics, HP supports governments and policymakers around the world to create education technology programs that generate meaningful outcomes.

Technology-enabled education for refugees and displaced populations

For people who have been uprooted and their educations and careers put on hold, learning provides vital continuity and opportunity. Working with the United Nations High Commissioner for Refugees and other partners, we have established three new HP Learning Studios in the Middle East focused on enabling refugee youths to learn in-demand skills to enhance employment opportunities. We are planning to create three more HP Learning Studios in the region by 2020. See Local impact.

HP LIFE

HP LIFE (Learning Initiative for Entrepreneurs), a program of the HP Foundation, provides free, anytime access to quality skills training to start or grow a business. HP LIFE offers 30 online courses in seven languages and has reached nearly 750,000 people since 2012. See Community giving and volunteerism.

HP World on Wheels mobile learning labs

In India, HP is bringing self-contained, Internet-enabled, solar-powered mobile learning labs to rural areas of the country. HP World on Wheels (WOW) supports digital literacy, education, entrepreneurship, and citizen services, aiming to provide access to more than 15 million people across 6,400 Indian villages by 2022. Each 20-seat WOW vehicle is equipped with HP computing and printing equipment, as well as software and e-learning tools. Since the rollout of 12 WOW vehicles in rural India during 2017, we have provided access to WOW resources to an estimated 2 million people across more than 900 villages.[28] HP WOW complements other HP initiatives—including HP LIFE and HP Future Classroom—to apply our technology to overcome power, space, infrastructure, and equipment challenges in rural communities.

Discover more about HP technologies to advance learning.

Product repair, reuse, and recycling

When HP products reach end of service, our robust product repair, reuse, and recycling programs help to ensure that products and materials are repurposed, to keep materials at their highest value state for the longest possible time. These efforts are part of our wider ambitions to transform the business toward an ever more materials-efficient circular model.

PRODUCT RECYCLING GOAL

Recycle 1.2 million tonnes of hardware and supplies by 2025, since the beginning of 2016

PROGRESS THROUGH 2018

Recycled

395,200
tonnes

Closing the loop on plastics

Through our industry-leading closed-loop plastic recycling program, HP is able to create new products from old ones.

Through 2018, we manufactured over 4.2 billion HP ink and toner cartridges using more than a cumulative 107,000 tonnes of recycled plastic. This has kept 830 million HP cartridges and an estimated 101 million apparel hangers and 4.37 billion postconsumer plastic bottles out of landfill instead upcycling these materials for continued use. More than 80% of our Original HP ink cartridges contain 45–70% postconsumer recycled content, and 100% of Original HP toner cartridges[1] contain 5– 45% postconsumer or post-industrial recycled content.

In 2016, we expanded our closed-loop recycling program to include hardware. During 2017, we launched the HP ENVY 6200, 7100, and 7800 Photo Printers, the world's first in-class printers made from recycled printers and other electronics—more than 10% by weight.[2] In 2018, we increased the recycled content plastic in some HP ENVY photo printer models to 20–30% by weight. Launched in 2018, the HP Tango printer is made with more than 30% closed-loop recycled plastic by weight using plastic from recycled printers and other electronics, and its Original HP cartridges include 48–73% recycled plastic.

Customer take-back programs

HP provides take-back programs in 74 countries and territories worldwide[3] through a global network of reuse and recycling vendors. These offerings vary by location.

HP global take-back programs for customers*

Program	Description		Progress in 2018	
Hardware				
Repair, remarketing, and reuse	Our remanufacturing programs help to extend hardware lifespan, reducing environmental impacts from disposal. We provide customers guidance about how to repair their own HP product. See Durability and repairability. HP Recover and Renew Services provide customers data sanitization, remarketing, and recycling for used personal systems products.	Our Hardware Reuse Standard outlines our requirements for vendors and subvendors who provide reuse, refurbishment, or remarketing services on behalf of HP.	**4.34 million** units of hardware repaired (20,900 tonnes)	**1.25 million** units of hardware remarketed/reused (6,400 tonnes)
Recycling Available in 64 countries and territories	HP recycles hardware that cannot be economically repaired or reused. We belong to compliance systems to comply with producer responsibility requirements of the WEEE Directive and end-of-life legal obligations in countries across our Americas, Asia Pacific and Japan, and Europe, Middle East, and Africa regions. Consumers, home office, and 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. In the United States, customers can drop off hardware at Best Buy stores through our closed-loop recycling program as well as Staples locations. U.S. customers can also use the HP Consumer Buyback Program to exchange equipment for money or purchase credits.	HP Recycling Services offers custom recycling programs for commercial and enterprise customers. Watch our video showing the recycling process. Recycling vendors must comply with the Hardware Recycling Standard.	**117,100 tonnes** of hardware recycled **17%** overall recycling rate of relevant HP hardware sales worldwide** **92%** of total volume of products and materials taken back in 2018 that were reused or recycled by HP, or by a third party	**2,970 tonnes** of plastic recovered for use in other HP products
Print cartridges, supplies, batteries, and packaging				
Ink and toner cartridge recycling Available in 64 countries and territories	HP provides free and convenient ways to recycle used HP ink and toner cartridges and Samsung toner cartridges.*** Home and commercial customers can return HP ink and toner cartridges for free to almost 18,000 authorized sites worldwide. Free pickup and mail-back options are available in most countries.	HP's groundbreaking closed-loop recycling program uses plastic from recycled Original HP cartridges plus recycled bottles and hangers to create new Original HP cartridges. See how we recycle ink cartridges. Recycling vendors must comply with the HP Printing Supplies Recycling Policy.	**15,300 tonnes** of HP LaserJet toner cartridges recycled **82%** of materials recovered used in other products, and 0% went to landfill	**1,400 tonnes** of HP ink cartridges recycled **75%** of materials recovered used in other products, and 0% went to landfill

We also offer responsible processing for batteries and recycling for large-format media/supplies, 3D printing supplies, and packaging.

* Descriptions of offerings in this table are as of report publication. Performance data is as of October 31, 2018. Availability of offerings varies by location. View full list of reuse and recycling programs by country.

** The recycling rate is based on the weight of hardware products returned for recycling compared to the weight of our product sales from seven years ago (the estimated average lifespan of our products). It is impractical for HP to report the recycling rate by product category, as materials are not typically sorted at collection points. This rate also does not include packaging recycling due to limited data available from recyclers.

*** On November 1, 2017, HP Inc. announced the completion of its acquisition of Samsung Electronics Co., Ltd.'s printer business.

Product reuse and recycling vendors

We work with a global network of vendors to provide product reuse and recycling services to customers around the world.

During 2017, to promote transparency and drive social and environmental standards in the electronics industry supply chain, we published a detailed list of our global recycling vendor sites, an IT industry first. This reflects our confidence in HP's vendor network and addresses customer and stakeholder expectations about disclosure. We hope that our leadership in this area will encourage other IT companies to do the same.

Vendor audits

Our specialist reuse and recycling vendors are required to follow environmentally responsible processing techniques and comply fully with relevant regulations. In general, vendors must also attain third-party certification (R2, e-Stewards, or WEEELABEX). If a vendor is not certified, HP audits them directly. We also commission third-party audits to monitor vendor conformance with our high standards and ensure that returned items are processed appropriately. We contract with Environmental Resources Management

(ERM) to audit vendors for conformance with the following policies and vendor standards:

- Export of Electronic Waste to Developing Countries Policy
- HP Supplier Code of Conduct
- Reuse and Recycling Standards

Audits assess vendors' environmental, health, and safety practices and performance, and ensure there is no "leakage" of materials to facilities outside our approved vendor network. Vendors with identified nonconformances must submit corrective action plans within 30 days and address those items within 90 days. In extreme cases, we will cease business with vendors that lack sufficient transparency or are unwilling to make the changes we require.

Through ERM, HP audited 41 vendor facilities in 20 countries during 2018. This included repeat audits of 28 vendor facilities to evaluate their efforts to improve performance. Because 49% of major nonconformances occurred at sites audited for the first time, HP's engagement brought best practices, enabling immediate performance improvements. HP has closed investigations of 100% of the major nonconformances identified in 2018, and we will continue to work closely with vendors to resolve the others as swiftly as possible. All sites with major nonconformances must be re-audited the following year to determine whether improvements are sustained.

Reuse and recycling vendor audits

	2017	2018
Initial audits	9	13
Repeat audits	23	28
Countries	15	20
Major nonconformances identified	45	55
Major nonconformances resolved*	100%	100%

* As of April 2019.

Categories of major nonconformance, 2018

percentage of total

16% Other*
36% Health and safety
8% Subvendor use and audits
11% Insurance
11% Hazardous substance/ emergency response
18% Environment
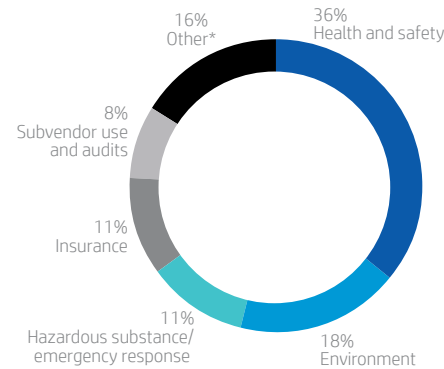
* Includes site security and controls, data destruction, and approved dispositions of processed materials. Findings related to data destruction were limited gaps in processes, not breaches of data security.

Read a statement from ERM.

Data

Product and solutions

	2015	2016*	2017	2018*
Product use GHG emissions intensity** [% reduction since 2015]	Not applicable	2%	11%	11%
GHG emissions from product use [tonnes CO_2e]	19,100,000	19,300,000	22,100,000***	23,400,000***
Personal systems	9,100,000	8,200,000	8,300,000	9,400,000
Desktop and enterprise printers (energy)****	3,600,000	3,600,000	2,400,000	2,000,000
Commercial and industrial graphics printing solutions (energy)	Not available	250,000	350,000	270,000
3D printing solutions (energy)	Not applicable	Not applicable	180,000	180,000
Printing consumables for desktop and enterprise printers (paper and ink/toner cartridges)*****	6,400,000	6,500,000	9,400,000	9,900,000
Printing consumables for commercial and industrial graphics printing solutions (paper and other supplies)	Not available	790,000	1,300,000	1,500,000
Printing consumables for 3D printing solutions (resins)	Not applicable	Not applicable	170,000	170,000
Water consumption related to product use [cubic meters]	153,700,000	156,300,000^	180,600,000^	195,000,000^
Personal systems	76,400,000	70,000,000	71,000,000	84,000,000
Desktop and enterprise printers (energy)^^	30,500,000	31,100,000	20,000,000	18,000,000
Commercial and industrial graphics printing solutions (energy)	Not available	2,200,000	3,000,000	2,400,000
3D printing solutions (energy)	Not applicable	Not applicable	1,600,000	1,600,000
Printing consumables for desktop and enterprise printers (paper)^^^	46,800,000	45,800,000	73,000,000	75,000,000
Printing consumables for commercial and industrial graphics printing solutions (paper)	Not available	7,200,000	12,000,000	14,000,000

	2014	2015	2016	2017	2018
Estimated materials use intensity for HP high-volume personal systems and printers^^^^ [tonnes/$ millions of net revenue]					
Personal systems					
Metal	4.5	3.6	3.0	2.6	2.8
Plastic	1.9	1.5	1.6	1.4	1.5
Wires/cables	0.8	0.6	0.6	0.5	0.5
PCAs	0.7	0.6	0.6	0.5	0.5
LCDs	1.4	1.2	1.8	1.3	1.4
Batteries	0.3	0.2	0.1	0.0^^^^^	0.0^^^^^
Total	9.4	7.7	7.7	6.3†	6.6
Printers					
Metal	14.7	15.4	17.6	17.0	14.8
Plastic	28.0	30.9	33.8	31.6	28.0
Wires/cables	0.4	0.4	0.5	0.4	0.4
PCAs	1.7	1.7	2.0	2.3	2.0
LCDs	0.0^^^^^	0.0^^^^^	0.0^^^^^	0.0^^^^^	0.0^^^^^
Batteries	0.0^^^^^	0.0^^^^^	0.0^^^^^	0.0^^^^^	0.0^^^^^
Total	44.8	48.4	53.9	51.3	45.2
Recycled plastic used in HP products [tonnes]				18,160††	21,250
Personal systems	Not available	Not available	Not available	8,080	8,360
Printers	Not available	Not available	Not available	1,260	4,790
HP ink cartridges	6,286	6,282	5,517	5,901	5,354
HP toner cartridges	3,300	2,437	3,493	2,921	2,746

* In some cases, segments do not add up to total due to rounding.

** HP product 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.

*** Greenhouse gas emissions from product use differ by less than 1% from the value reported on page 61, due to rounding.

**** Beginning in 2017, our LaserJet power usage data more accurately reflects typical idle and print energy. These changes were not applied retroactively. Scope 3 emissions from inkjet and LaserJet printers that HP manufactures for sale and service by other original equipment manufacturers is excluded from this data. In 2018, these printers represented less than 0.7% of HP printers manufactured in the reporting year and consequently, their associated emissions represented less than 0.2% of the product life cycle emissions of all HP manufactured printers. Scope 1 and 2 emissions from the manufacturing of these printers at HP operated facilities is captured in the Scope 1 and 2 data reported in this year's report.

***** Data for 2017 and 2018 better reflect average laser printer paper usage. This represented the majority of the increase compared to 2015 and 2016. The 2017 value has been restated compared to the data reported in the HP 2017 Sustainable Impact Report, to improve comparability with 2018.

^ Total water consumption related to product use differs by less than 1% from the value reported on page 62, due to rounding.

^^ Beginning in 2017, our LaserJet power usage data more accurately reflects typical idle and print energy. These changes were not applied retroactively. Indirect water consumption from inkjet and LaserJet printers that HP manufactures for sale and service by other original equipment manufacturers is excluded from this data. In 2018, these printers represented less than 0.7% of HP printers manufactured in the reporting year and consequently, their associated indirect water consumption during product use represented less than 0.7% of the product life cycle water consumption of all HP manufactured printers. Water consumption from the manufacturing of these printers at HP operated facilities is captured in the direct water consumption data reported in this year's report.

^^^ Data for 2017 and 2018 better reflect average laser printer paper usage. This represented the majority of the increase compared to 2015 and 2016. The 2017 value has been restated compared to the data reported in the HP 2017 Sustainable Impact Report, to improve comparability with 2018.

^^^^ Personal systems and printer values are based on individual product data. Estimates for printer volumes do not include graphic arts, industrial, web press printers, scanners, or ink or toner cartridges. Product data for personal systems is based on calendar year for 2014-2015 and 2018, and fiscal year for 2016-2017. Product data for printers is based on calendar year for 2014-2015 and fiscal year for 2016-2018. Net revenue data is based on HP's fiscal year. In some cases, segments do not add up to total due to rounding.

^^^^^ This value is stated as 0.0 due to rounding.

† This total was updated to correct a calculation error stated in the HP 2017 Sustainable Impact Report.

†† Total does not equal sum of segments due to rounding.

Product repair, reuse, and recycling*

	2016	2017**	2018
Total recycling of hardware and supplies [tonnes, approximate]	119,900	141,500	133,800
Electronic equipment repaired [units]	5,050,000	4,600,000	4,340,000
Electronic equipment returned before use and remarketed [units]	1,250,000	1,270,000	1,250,000
Number of countries and territories with HP return and recycling programs	73	74	74
Total recycling, by region [tonnes]			
Americas	48,800	61,100	55,200
Europe, Middle East, and Africa	59,200	64,100	62,900
Asia Pacific and Japan	11,900	16,300	15,700
Total recycling, by type [tonnes]			
Hardware	102,800	125,200	117,100
HP toner cartridges***	15,400	14,800	15,300
HP ink cartridges***	1,700	1,500	1,400
HP toner cartridge recycling			
HP LaserJet market covered by program [%]	92%	92%	91%
Composition [%]			
Materials recycled into new products	80.9%	83.9%	82.1%
Materials used for energy recovery	16.8%	13.2%	14.7%
Reuse of components	2.3%	2.9%	2.9%

	2016	2017**	2018
Material in storage—pending processing	0.0%	0.0%	0.0%
Incineration	0.0%	0.0%	0.3%
Landfill	0.0%	0.0%	0.0%
HP ink cartridge recycling			
HP ink market covered by program [%]	91%	87%	89%
Composition [%]			
Materials recovered for recycling	77.9%	73.9%	74.6%
Materials used for energy recovery	21.6%	23.7%	23.7%
Reuse of components	0.0%	0.0%	0.0%
Material in storage—pending processing	0.4%	0.5%	0.7%
Incineration	0.0%	1.8%	1.0%
Landfill	0.0%	0.0%	0.0%

* Totals include all hardware and supplies returned to HP for processing, with ultimate dispositions including recycling, energy recovery, and, where no suitable alternatives exist, responsible disposal. HP LaserJet toner and ink cartridge recycling data is for calendar year. The remaining data is based on the HP fiscal year. Although for HP print cartridges we report the composition of recovered materials, we cannot provide this data for hardware because we do not have operational control over all recycling processes and so do not have access to this information. In some cases, segments do not add up to total due to rounding. Although we do not include data prior to 2016 in the Product repair, reuse, and recycling section, the vast majority of product hardware recycling data, and all toner and ink cartridge recycling data, reported in past years was associated with the business units that are now a part of HP Inc. Through 2015, Hewlett-Packard Company reported 1,497,500 tonnes of cumulative computer hardware and supplies recycling combined.

** Hardware recycling data for 2017 and related totals have been updated to correct an overstatement in the HP 2017 Sustainable Impact Report.

*** Includes cartridges returned by customers only.

Appendix

About this report

HP has reported yearly on its social and environmental progress since 2001. We provide in-depth information to stakeholders, including customers, industry analysts, socially responsible investors, nongovernmental organizations (NGOs), employees, sustainability specialists, governments, and others.

To determine report contents, we consider:

- Our materiality assessment
- Input from executives and content experts across HP
- Input from external stakeholders
- The broader sustainability context and trends
- External standards and frameworks such as the Global Reporting Initiative (GRI) Sustainability Reporting Standards, the United Nations (UN) Global Compact, and the UN Sustainable Development Goals
- Global reporting trends and best practices

In addition to our Sustainable Impact Report, we report on our programs and progress on our Sustainable Impact website on an ongoing basis. Our past reports are available online.

Reporting scope and measures

- This report describes HP's Sustainable Impact policies, programs, and goals. It includes HP's performance data through FY2018 (which ended October 31, 2018), unless stated otherwise.
- The information in this report is current as of the date of its initial publication. The report has not been updated to reflect any changes since that date, including any changes to HP's business or strategy. HP assumes no obligation and does not intend to update this report to reflect any such changes.
- The performance data in this report covers 100% of HP's global business operations and/or revenue, as of HP's most recently completed fiscal year, unless stated otherwise.
- All references to years are to HP's fiscal year, which ends October 31, 2018, unless stated otherwise.
- All references to dollars are to U.S. dollars.
- "Tonnes" refers to metric tons.

Metrics and goals

The metrics in this report are HP data, unless stated otherwise. Collecting data from hundreds of global sites is complex, and the process can vary by issue, business unit, function, and geography. As a result, company-wide metrics can be difficult to define and implement. We continue to standardize our measurement systems and metrics. Data is rounded to reflect the appropriate level of certainty.

Reporting performance beyond our immediate operations is also challenging. We must make assumptions when estimating Scope 3 greenhouse gas (GHG) emissions, product energy consumption and resulting GHG emissions, the percentage of HP products that are recycled, and other metrics. Where appropriate, we provide context for data to help readers understand limitations and draw appropriate conclusions.

Forward-looking content reflects approaches, goals, and priorities established by the HP teams responsible for implementing them. These were set in consultation with internal, and in some cases external, stakeholders and consider leading corporate practices.

Feedback

Your comments and suggestions are important to us. Please provide any feedback on this report, our performance, or our website using our online form.

External verification

Assurance demonstrates that information in this report describes our performance accurately and completely.

In 2018, HP engaged Ernst & Young LLP (EY) to perform an independent review of selected key performance indicators in our HP 2018 Sustainable Impact Report. This process was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

For a full listing of the indicators within the scope of EY's review, please see the Independent accountants' review report.

In addition, the following data received external assurance this year:

- Product repair, reuse, and recycling: Through ERM, HP audited 41 vendor facilities in 20 countries during 2018. This included repeat audits of 28 vendor facilities to evaluate their efforts to improve performance. Learn more in Product reuse and recycling vendors.
- Supply chain: HP participates in the Responsible Business Alliance (RBA) Validated Audit Program (VAP), which uses independent external auditors to audit our suppliers' social and environmental responsibility performance against HP Supplier Code of Conduct requirements. Learn more in Supply chain responsibility.

Forward-looking statements

This report 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 Inc. and its consolidated subsidiaries ("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, but not limited to, our sustainability goals, the execution of 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 impact of changes in tax laws, including uncertainties related to expected regulations of the U.S. Department of the Treasury implementing the Tax Cuts and Jobs Act of 2017 on HP's tax obligations and effective tax rate; the resolution of pending investigations, claims and disputes; and other risks that are described or updated from time to time in HP's filings with the Securities and Exchange Commission. HP assumes no obligation and does not intend to update these forward-looking statements.

Policies and standards

Sustainable Impact

- HP Sustainable Impact and Human Rights Policy

Employees

- Global Harassment-Free Work Environment Policy
- Global Nondiscrimination Policy
- Open Door Policy

Environment

- Climate Action Policy Position
- Environmental, Health, and Safety (EHS) Policy
- Environmentally Preferable Paper Policy
- Export of Electronic Waste to Developing Countries Policy
- General Specification for the Environment (GSE)
- Hardware Recycling Standard
- Hardware Reuse Standard
- Materials and Chemical Management Policy

Ethics and anti-corruption

- Anti-corruption Policy
- Contingent Worker Code of Conduct
- Corporate Governance Guidelines
- Global Business Amenities Policy
- Integrity at HP
- Partner Code of Conduct
- U.S. Public Sector Code of Conduct

Privacy

- Privacy Statement

Supply chain responsibility

- Student and Dispatch Worker Standard for Supplier Facilities in the People's Republic of China (PRC)
- Supplier Code of Conduct
- Supply Chain Foreign Migrant Worker Standard
- Supply Chain Social and Environmental Responsibility Policy

Independent accountants' review report

To the Stockholders and the Board of Directors of HP Inc.

We have reviewed the Schedule of Select Sustainability Metrics (the "Subject Matter") included in Appendix A and as presented in the HP Inc. ("HP") 2018 Sustainable Impact Report (the "Report") for the year ended October 31,2018, unless otherwise stated, in accordance with HP's criteria set forth in Appendix A (the "Criteria"). We did not review all information included in the Report. We did not review the narrative sections of the Report, except where they incorporated the Subject Matter. HP's management is responsible for the Subject Matter included in Appendix A and as also presented in the Report, in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.
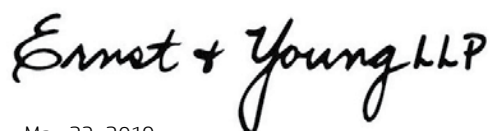
Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ((AICPA) AT-C section 105, *Concepts Common to All Attestation Engagements* and AT-C section 210, *Review Engagements*). Those standards require that we plan and perform our review to obtain limited assurance about whether

any material modifications should be made to the Subject Matter in order for it to be in accordance with the Criteria. A review consists principally of applying analytical procedures, making inquiries of persons responsible for the Subject Matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. A review also does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have also complied with the independence and other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

As described in Note A, the Subject Matter is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Based on our review, we are not aware of any material modifications that should be made to the Schedule of Select Sustainability Metrics included in Appendix A for the year ended October 31,2018, unless otherwise stated, in order for it to be in accordance with the relevant Criteria.

EY
Building a better working world

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Ernst & Young LLP

May 23, 2019
San Jose, CA

Appendix A – HP Inc. (HP) Schedule of Select Sustainability Metrics

Indicator name	Scope	Unit	Reported value[1]	Criteria
Scope 1 greenhouse gas ("GHG") emissions[2]	Global	Tonnes of carbon dioxide equivalents (tCO$_2$e)	65,900	World Resources Institute ("WRI") / World Business Council for Sustainable Development's ("WBCSD") The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Global Reporting Initiative ("GRI") Standard 305 and HP's Carbon Accounting Manual[3]
Scope 2 GHG emissions (location–based method)	Global	tCO$_2$e	252,300	
Scope 2 GHG emissions (market–based method)	Global	tCO$_2$e	163,700	
Scope 3 GHG emissions	Global	tCO$_2$e	44,470,000	WRl/WBCSD's The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, GRI Standard 305 and HP's Carbon Accounting Manual[3]
Direct energy use in operations (corresponds to Scope 1 emissions)[4]	Global	MWh	164,075	GRI Standard 302 and HP management definitions disclosed in the 2018 Sustainable Impact Report
Indirect energy use (corresponds to Scope 2 emissions)[5]	Global	MWh	594,823	GRI Standard 302 and HP management definitions disclosed in the 2018 Sustainable Impact Report
Voluntary purchases of renewable energy	Global	MWh	255,797	GRI Standard 302 and HP management definitions disclosed in the 2018 Sustainable Impact Report
Direct water consumption[6]	Global	Cubic meters	3,406,000	GRI Standard 303 and HP management definitions disclosed in the 2018 Sustainable Impact Report[7]
Conflict minerals disclosure[8]	Global	N/A - Qualitative assertion	To identify and disclose the smelters and refiners[9] in our supply chain, between January and December 2018 HP surveyed suppliers which contributed material, components, or manufacturing for products containing 3TG. Each smelter or refiner reported was identified in at least one of the RMI Conflict Minerals Reporting Templates we received.	HP management definitions disclosed in the 2018 Sustainable Impact Report

Note A: Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

[1] All indicators are reported for the year ended October 31, 2018, except as otherwise indicated.

[2] To calculate GHG emissions, for all indicators we use the Global Warming Potentials (GWP) from the IPCC Fifth Assessment Report (AR5) except for perfluorinated compounds (PFC), where we use the GWP from the IPCC Fourth Assessment Report (AR4).

[3] Carbon Accounting Manual is available at http://h20195.www2.hp.com/V2/getpdf.aspx/c05179524.pdf.

[4] Direct energy use refers to direct energy consumption in HP's operations including natural gas, renewable energy generated on-site and diesel/oil/gas/LPG, similar to the Scope 1 emissions boundary. Transportation fleet, refrigerants and perfluorinated compounds are excluded from direct energy use, although they are included in the Scope 1 GHG emissions boundary.

[5] Indirect energy includes purchased electricity and steam and does not include renewable energy purchases.

[6] Direct water consumption for HP operations.

[7] Note that sewage treatment plant (STP) water is not included within the scope of water consumption.

[8] As noted in the disclosure, this indicator pertains to the calendar year 2018.

[9] The list of smelters and refiners is available at http://www8.hp.com/us/en/pdf/sustainability/conflictminerals.pdf#page=12.

Material issues

The following table summarizes issues determined to meet the materiality threshold for this report.

Issue	Description	GRI Standards topic(s)	Topic boundary	Location in report
High importance to sustainable development, high importance to HP's business success				
Circular economy	Managing product life cycles through design criteria and business models that promote product serviceability and longevity; enable usage as a service; increase recovery, reuse, recycling, recycled content, and closed material loops; and dematerialize processes and activities through digitization.	Materials	Supply chain HP operations Products and solutions	Circular economy Sustainable design Products and solutions portfolio Product repair, reuse, and recycling
Energy and GHG emissions	Improving energy efficiency, using renewable energy, and reducing the GHG emissions of HP's owned/leased operations and of its supply chain, related to facilities, transportation fleets, and product transportation and logistics.	Emissions Energy	Supply chain (first- and second-tier suppliers, Scope 3 emissions) HP operations	Footprint Supply chain responsibility: Environmental impact: Greenhouse gas emissions Our facilities: Greenhouse gas emissions
IT for sustainable development	Designing and delivering IT solutions that advance progress toward the United Nations Sustainable Development Goals, related to health, education, decent work, the environment, and more inclusive, just, and sustainable outcomes for underserved and underrepresented individuals and communities everywhere.	No GRI-specific Topics	Products and solutions	Community giving and volunteerism Sustainable design Products and solutions portfolio Global education programs
Paper and printed material	Enabling more sustainable printing through the sourcing, use, and recycling of paper and other printed materials by HP and its customers.	Materials	Supply chain Products and solutions	Paper
Privacy	Collecting, analyzing, using, storing, transferring, and sharing information in ways that uphold the right to privacy and personal data protection in commercial, government, and law enforcement relationships, and in compliance with laws and standards.	Customer Privacy	HP operations (employees) Products and solutions (customers and partners)	Privacy
Product energy efficiency	Increasing the energy efficiency of HP products and services, and enabling customers to reduce their energy use.	Energy	Products and solutions	Sustainable design: Energy efficiency Products and solutions portfolio
Supply chain responsibility	Monitoring and strengthening social conditions throughout HP's supply chain (including working hours and conditions, wages and benefits, health and safety, humane treatment of workers, avoiding slavery and forced labor, and responsible minerals sourcing) through codes and standards, supplier and worker engagement, and transparency.	Nondiscrimination Freedom of Association and Collective Bargaining Child Labor Forced or Compulsory Labor Human Rights Assessment Supplier Environmental Assessment Supplier Social Assessment	Supply chain (first- and second-tier suppliers; sub-tier suppliers in high-risk areas such as the Democratic Republic of the Congo; there are multiple tiers between HP and smelters that trade with exporters). We ask that first-tier suppliers communicate our HP Supplier Code of Conduct to their suppliers, thereby propagating the requirements to our sub-tier suppliers.	Supply chain responsibility Human rights
Medium importance to sustainable development, high importance to HP's business success				
Data and product security	Designing products and processes that protect the collection, analysis, use, storage, transfer, and sharing of information from unwanted parties, unauthorized access, and security threats, including cyberattacks.	No GRI-specific Topics	Supply chain HP operations Products and solutions	Cybersecurity Product security and privacy

Diversity and inclusion	Fostering diversity and inclusion within our workforce, supply chain, and communities worldwide.	Diversity and Equal Opportunity	Supply chain HP operations Products and solutions	Supplier diversity Diversity and inclusion
Ethics and anti-corruption	Promoting high ethical standards and combating corruption in all of HP's business interactions, including in joint ventures and with business partners, suppliers, and distributors.	Anti-corruption	Supply chain (interactions with suppliers, business partners, and contractors) HP operations Products and solutions (interactions with business partners and customers)	Ethics and anti-corruption
Health and safety	Working to create a healthy, safe, and secure working environment in our supply chain, operations, and for our customers, including managing the use of materials and substances of concern in the manufacturing and use of our products.	Occupational Health and Safety Customer Health and Safety	Supply chain HP operations Products and solutions	Supply chain responsibility: Health and safety Our employees: Health and safety Product safety
Transparency, accountability, and reporting	Providing clear, comparable, and accessible business and sustainability information.	Overall report	Supply chain HP operations Products and solutions	GRI index
High importance to sustainable development, medium importance to HP's business success				
Waste	Responsibly managing and disposing of nonhazardous and hazardous waste in HP's supply chain and owned/leased operations.	Effluents and Waste	Supply chain (first-tier suppliers) HP operations	Supply chain responsibility: Environmental impact: Waste Our facilities: Waste
Water	Conserving water in HP's supply chain and owned/leased operations.	Water	Supply chain (first-tier suppliers) HP operations	Footprint Supply chain responsibility: Environmental impact: Water Our facilities: Water
Medium importance to sustainable development, medium importance to HP's business success				
Corporate governance	Maintaining the standards, structures, and processes to ensure the diversity and independence of the Board of Directors, and the effective governance of HP, including the company's Sustainable Impact strategy and programs.	No GRI-specific Topics	HP operations	Sustainable Impact: Governance Ethics and anti-corruption Governance HP 2019 Proxy Statement
Intellectual property protection	Ensuring appropriate protection of HP's intellectual property.	No GRI-specific Topics	Supply chain HP operations Products and solutions	Government relations Investing in R&D
Packaging	Decreasing the environmental impact of HP packaging.	Materials	Supply chain Products and solutions	Packaging
Product transportation	Decreasing the environmental impact of HP product transportation and logistics.	Emissions	Supply chain	Footprint Product transportation
Public policy	Influencing public policy development through direct engagement, involvement in multi-stakeholder associations or initiatives, and political contributions.	Public Policy	HP operations	Government relations

United Nations Global Compact index

HP is a signatory to the United Nations Global Compact, a set of voluntary commitments for companies to improve human rights, labor conditions, the environment, and anti-corruption controls. This table links to the sections of this report that address the Global Compact's 10 principles.

Principle	Information in report
Human rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Human rights
	Privacy
	Supply chain responsibility
	Our employees
Principle 2: make sure that they are not complicit in human rights abuses.	Human rights
	Supply chain responsibility
Labor standards	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Human rights
	Supply chain responsibility
Principle 4: the elimination of all forms of forced and compulsory labor;	Human rights
	Supply chain responsibility
Principle 5: the effective abolition of child labor; and	Human rights
	Supply chain responsibility
Principle 6: the elimination of discrimination with respect to employment and occupation.	Human rights
	Supply chain responsibility
	Diversity and inclusion

Principle	Information in report
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Sustainable design
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Footprint
	Supply chain responsibility: Environmental impact
	Our facilities
	Sustainable design
	Products and solutions portfolio
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Supply chain responsibility: Environmental impact
	Our facilities
	Sustainable design
	Products and solutions portfolio
Anti-corruption	
Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.	Ethics and anti-corruption
	Supply chain responsibility

"To promote higher standards across the areas of human rights, labor, environment, and anti-corruption, we endorse the United Nations Global Compact as a practical framework for the development, implementation, and disclosure of sustainability policies and practices."

Dion Weisler, President and Chief Executive Officer, HP Inc.

United Nations Sustainable Development Goals index

HP supports the United Nations Sustainable Development Goals (SDGs). We have existing programs that contribute to progress against 16 of the 17 goals and will continue to drive innovations that help achieve them. This table references sections of this report that relate to each goal.

Goal 1 End poverty in all its forms everywhere

HP's actions Community giving and volunteerism

Goal 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

HP's actions No major programs at this time

Goal 3 Ensure healthy lives and promote well-being for all at all ages

HP's actions Supply chain responsibility: Health and safety, Our employees: Health and safety, Wellbeing

Goal 4 Ensure inclusive and quality education for all and promote lifelong learning

HP's actions Global education programs, Community giving and volunteerism

Goal 5 Achieve gender equality and empower all women and girls

HP's actions Supply chain responsibility, Diversity and inclusion

Goal 6 Ensure access to water and sanitation for all

HP's actions Our facilities: Water, Supply chain responsibility: Environmental impact: Water

Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all

HP's actions Renewable energy, Products and solutions: Energy efficiency

Goal 8 Promote inclusive and sustainable economic growth, employment and decent work for all

HP's actions Fourth Industrial Revolution, Supply chain responsibility, Community giving and volunteerism

Goal 9 Build resilient infrastructure, promote sustainable industrialization and foster innovation

HP's actions Circular economy, Fourth Industrial Revolution, Products and solutions portfolio

Goal 10 Reduce inequality within and among countries

HP's actions Supplier diversity, Community giving and volunteerism, Global education programs

Goal 11 Make cities inclusive, safe, resilient and sustainable

HP's actions Community giving and volunteerism

Goal 12 Ensure sustainable consumption and production patterns

HP's actions Circular economy, Products and solutions portfolio

Goal 13 Take urgent action to combat climate change and its impacts

HP's actions Footprint, Supply chain responsibility: Environmental impact: GHG emissions, Our facilities: GHG emissions

Goal 14 Conserve and sustainably use the oceans, seas and marine resource

HP's actions Closing the loop on plastics

Goal 15 Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

HP's actions Zero deforestation, Paper

Goal 16 Promote just, peaceful and inclusive societies

HP's actions Ethics and anti-corruption, Human rights, Supply chain responsibility

Goal 17 Revitalize the global partnership for sustainable development

HP's actions HP supports the UN SDGs, the UN Global Compact, the Global Reporting Initiative, and other global efforts to advance sustainable development.

Global Reporting Initiative index

HP considered the Global Reporting Initiative (GRI) 2016 Sustainability Reporting Standards in the development of this report.
This index includes links to information about relevant Disclosures.

Disclosure	Location
GRI 102: General Disclosures	
Organizational profile	
102-1 Name of the organization	8
102-2 Activities, brands, products, and services	8, 68, HP 2018 10-K
102-3 Location of headquarters	8
102-4 Location of operations	HP 2018 10-K, Map of HP supplier sites
102-5 Ownership and legal form	8, HP 2018 10-K
102-6 Markets served	HP 2018 10-K
102-7 Scale of the organization	8, 9, 10, 92, HP 2018 10-K
102-8 Information on employees and other workers	100 A portion of the organization's work is performed by individuals other than HP employees or other workers supervised by HP, including workers employed or supervised by contractors.
102-9 Supply chain	71
102-10 Significant changes to the organization and its supply chain	92, HP 2018 10-K
102-11 Precautionary principle or approach	108
102-12 External initiatives	57, 68, 70, 72, 105, 136, 137
102-13 Membership of associations	Affiliations and memberships
Strategy	
102-14 Statement from senior decision-maker	4
102-15 Key impacts, risks, and opportunities	9, 13, 49, 134
Ethics and integrity	
102-16 Values, principles, standards, and norms of behavior	131

Disclosure	Location
102-17 Mechanisms for advice and concerns about ethics	64
Governance	
102-18 Governance structure	55, Governance
102-19 Delegating authority	55
102-20 Executive-level responsibility for economic, environmental, and social topics	55
102-22 Composition of the highest governance body and its committees	Governance
102-23 Chair of the highest governance body	Governance
102-24 Nominating and selecting the highest governance body	Corporate governance guidelines
102-25 Conflicts of interest	Corporate governance guidelines
102-26 Role of highest governance body in setting purpose, values, and strategy	55, Nominating, Governance and Social Responsibility Committee charter
102-31 Review of economic, environmental, and social topics	55
102-33 Communicating critical concerns	Contacting the board
102-35 Remuneration policies	HP 2019 Proxy Statement
102-36 Process for determining remuneration	HP 2019 Proxy Statement
Stakeholder engagement	
102-40 List of stakeholder groups	55
102-41 Collective bargaining agreements	The percentage of employees covered by collective bargaining agreements (CBAs) is managed at a local level. As of October 31, 2018, approximately 27% of employees companywide were covered by a union or CBA.
102-42 Identifying and selecting stakeholders	55

Disclosure	Location
	[55](#)
102-43 Approach to stakeholder engagement	Some forms of stakeholder engagement follow a set frequency, such as our annual employee Voice Insight Action survey, yearly responses to rating/ranking questionnaires, and supplier audits. Other forms of engagement, such as responses to customer requests for information about our Sustainable Impact performance, collaboration with NGOs and industry peers on specific issues, and discussion with policy makers, occur on an ad hoc basis. Examples are included throughout this report. We consider input from customers, NGOs, employees, investors, and others in the preparation of our annual Sustainable Impact Report.
	[55](#)
102-44 Key topics and concerns raised	Our [materiality assessment](#) reflects the key topics and concerns that have been raised through stakeholder engagement and various analysis. This report describes how HP addresses those issues, including in some cases through engagement with the relevant stakeholder groups.
Reporting practice	
102-45 Entities included in the consolidated financial statements	[HP 2018 10-K](#)
	[56](#), [129](#), [134](#)
102-46 Defining report content and topic Boundaries	HP determined the boundary for each material issue in this report based on input and review from executives and content experts. These assessments considered the value chain phases in which the most relevant impacts and opportunities occur.
102-47 List of material topics	[56](#), [129](#), [134](#)
102-48 Restatements of information	Noted in sections as appropriate
102-49 Changes in reporting	The [Executive summary](#) section of this report provides a high-level overview of our Sustainable Impact strategy and progress, and vision for the future. The [Detailed disclosures](#) section includes more in-depth information on our approach and performance across the broad range of environmental, social, and governance issues.
102-50 Reporting period	[129](#)
102-51 Date of most recent report	June 2018
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	[Feedback](#)
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55 GRI content index	[138](#)
102-56 External assurance	[132](#)

Disclosure	Location
Material Topics	
GRI 200 Economic Standards Series	
GRI 205: Anti-corruption	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	[64](#), [134](#)
103-2 The management approach and its components	[64](#)
103-3 Evaluation of the management approach	[64](#)
205-1 Operations assessed for risks related to corruption	[65](#)
205-2 Communication and training about anti-corruption policies and procedures	[65](#)
GRI 300 Environmental Standards Series	
GRI 301: Materials	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	[108](#), [134](#)
103-2 The management approach and its components	[108](#)
103-3 Evaluation of the management approach	[108](#), [126](#)
301-1 Materials used by weight or volume	[108](#)
301-2 Recycled input materials used	[108](#)
301-3 Reclaimed products and their packaging materials	[123](#)
GRI 302: Energy	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	[93](#), [108](#), [134](#)
103-2 The management approach and its components	[92](#), [93](#), [108](#)
103-3 Evaluation of the management approach	[102](#), [108](#), [114](#)
302-1 Energy consumption within the organization	[102](#)
302-3 Energy intensity	[102](#)
302-4 Reduction of energy consumption	[93](#)
302-5 Reductions in energy requirements of products and services	[108](#), [114](#)
GRI 303: Water	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	[59](#), [135](#)
103-2 The management approach and its components	[79](#), [92](#), [95](#), [HP water accounting manual](#)

Disclosure	Location
103-3 Evaluation of the management approach	62, 85, 102
303-1 Water withdrawal by source	62, 85, 102
303-3 Water recycled and reused	102
GRI 305: Emissions	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	58, 134
103-2 The management approach and its components	77, 92, 93, HP carbon accounting manual
103-3 Evaluation of the management approach	60, 85, 102
305-1 Direct (Scope 1) GHG emissions	60
305-2 Energy indirect (Scope 2) GHG emissions	60
305-3 Other indirect (Scope 3) GHG emissions	61, 85, 126
305-4 GHG emissions intensity	60
305-5 Reduction of GHG emissions	93
305-6 Emissions of ozone-depleting substances (ODS)	103
GRI 306: Effluents and Waste	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	80, 96, 135
103-2 The management approach and its components	80, 92, 96
103-3 Evaluation of the management approach	85, 96, 102
306-2 Waste by type and disposal method	85, 96, 102
306-3 Significant spills	We apply the risk-prevention and management procedures of our environmental, health, and safety management system to help prevent unplanned releases at our facilities. In 2018, we experienced no significant unplanned releases.
GRI 308: Supplier Environmental Assessment	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	77, 134
103-2 The management approach and its components	72, 77, Our approach to a sustainable supply chain

Disclosure	Location
	85
103-3 Evaluation of the management approach	We determined that 96% of HP first-tier production suppliers, by spend, had environmental management system (EMS) certification (e.g., ISO 14001) for manufacturing sites during 2018. Data represented review of 94% of HP production spend, extrapolated to 100%. The HP Supplier Code of Conduct requires our suppliers to have an effective EMS for manufacturing sites, regardless of third-party certification. We audit suppliers to this standard.
308-1 New suppliers that were screened using environmental criteria	More than 95% of HP production suppliers, by spend, have been screened using environmental criteria. This includes new suppliers that were onboarded during 2018.
GRI 400 Social Standards Series	
GRI 403: Occupational Health and Safety	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	91, 135
103-2 The management approach and its components	91, 92
103-3 Evaluation of the management approach	101
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism; and number of work-related fatalities	101 The types of injury HP recorded in calendar year 2018 included head/neck (29% of the total), hands/wrists (20%), lower extremities (18%), arms/shoulders (13%), back (11%), and other (9%). It is not practical to break down the injury data that HP reports by employment contract (employees and contractors that HP manages) or by gender. The occupational disease rate at HP in calendar year 2018 was essentially zero. HP experienced zero fatalities for the years reported (fiscal year 2016 and calendar years 2017 and 2018). HP does not report absentee rate.
GRI 404: Training and Education[*]	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	90
103-2 The management approach and its components	90
103-3 Evaluation of the management approach	90
404-1 Average hours of training per year per employee	90
404-2 Programs for upgrading employee skills and transition assistance programs	90
404-3 Percentage of employees receiving regular performance and career development reviews	90

[*] Although this GRI Standards Topic was not determined to be material in HP's materiality assessment, we recognize that it is relevant to some stakeholders and we provide information about HP's programs and performance in this area.

Disclosure	Location
GRI 405: Diversity and Equal Opportunity	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	87, 135
103-2 The management approach and its components	87
103-3 Evaluation of the management approach	87, 100
405-1 Diversity of governance bodies and employees	87, 100, HP board of directors, HP 2019 Proxy Statement
405-2 Ratio of basic salary and remuneration of women to men	HP's approach to fair and equitable pay
GRI 406: Non-discrimination	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	72, 73, 134
103-2 The management approach and its components	66, 72, Our approach to a sustainable supply chain
103-3 Evaluation of the management approach	83
406-1 Incidents of discrimination and corrective actions taken	83 HP discloses the rates of conformance in production supplier sites audited, as well as the data needed to calculate the approximate number of nonconformances. Due to confidentiality, HP does not report details regarding specific incidents of discrimination during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	72, 73, 134
103-2 The management approach and its components	66, 72, Our approach to a sustainable supply chain
103-3 Evaluation of the management approach	83
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	83 HP discloses the rates of conformance in production supplier sites audited, as well as the data needed to calculate the approximate number of nonconformances. We require suppliers to train workers to understand their rights concerning collective bargaining, and to allow workers to associate freely without fear of discrimination, reprisal, intimidation, or harassment.

Disclosure	Location
GRI 408: Child Labor	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	72, 73, 134
103-2 The management approach and its components	66, 72, Our approach to a sustainable supply chain
103-3 Evaluation of the management approach	83
408-1 Operations and suppliers at significant risk for incidents of child labor	83 HP discloses the rates of conformance in production supplier sites audited, as well as the data needed to calculate the approximate number of nonconformances. To support rights in this area, HP has controls to meet student and young worker requirements. In China, no more than 20% of the direct labor supporting the manufacturing of HP products, packaging, parts, components, subassemblies, and materials at any given facility should consist of student workers at any point in time. We track performance in this area through our KPI program.
GRI 409: Forced or Compulsory Labor	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	72, 73, 134
103-2 The management approach and its components	66, 72, Our approach to a sustainable supply chain
103-3 Evaluation of the management approach	83
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	83 HP discloses the rates of conformance in production supplier sites audited, as well as the data needed to calculate the approximate number of nonconformances. See Combating forced labor for more detail about our approach in this area.
GRI 412: Human Rights Assessment	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	66, 134
103-2 The management approach and its components	66
103-3 Evaluation of the management approach	66
412-1 Operations that have been subject to human rights reviews or impact assessments	66
GRI 414: Supplier Social Assessment	
GRI 103: Management Approach	

Disclosure	Location
103-1 Explanation of the material topic and its Boundary	73, 74, 134
103-2 The management approach and its components	72, Our approach to a sustainable supply chain
103-3 Evaluation of the management approach	84
414-1 New suppliers that were screened using social criteria	More than 95% of HP production suppliers, by spend, have been screened using social criteria. This includes new suppliers that were onboarded during 2018.
GRI 415: Public Policy	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	70, 135
103-2 The management approach and its components	70, HP Political Contributions Policy
103-3 Evaluation of the management approach	HP 2018 Corporate Political Contributions, HP 2018 Employee PAC Contributions, U.S. lobbying expenditures
415-1 Political contributions	HP 2018 Corporate Political Contributions, HP 2018 Employee PAC Contributions, U.S. lobbying expenditures
GRI 416: Customer Health and Safety	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	112, 135
103-2 The management approach and its components	112
103-3 Evaluation of the management approach	112
416-1 Assessment of the health and safety impacts of product and service categories	112
GRI 418: Customer Privacy	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	68, 134
103-2 The management approach and its components	68
103-3 Evaluation of the management approach	68
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	68, 70

Disclosure	Location
Other material issues**	
Corporate governance	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	135
103-2 The management approach and its components	55, 64, Governance, HP 2019 Proxy Statement
103-3 Evaluation of the management approach	Governance, HP 2019 Proxy Statement
Data and product security	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	69, 113, 134
103-2 The management approach and its components	69, 113
103-3 Evaluation of the management approach	69, 113
Intellectual property protection	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	135
103-2 The management approach and its components	70, 114
103-3 Evaluation of the management approach	70, 114
IT for sustainable development	
GRI 103: Management Approach	
103-1 Explanation of the material topic and its Boundary	134
103-2 The management approach and its components	97, 105, 114, 121
103-3 Evaluation of the management approach	103, 126

** This includes issues determined to meet the materiality threshold for this report that are not already addressed by the GRI Standards Topics in the index above.

Endnotes

Additional information about the data presented in this report is available upon request.

Sustainable Impact

Sustainable Impact strategy

1 In 2018, we tracked $972 million in new revenue in which sustainability criteria were a known consideration and were supported actively by HP's Sustainability and Compliance organization. This represented an increase of 35% compared to 2017.

2 According to a UN report.

3 According to the World Business Council for Sustainable Development.

4 All HP brand paper and paper-based product packaging will be derived from certified and recycled sources by 2020, with a preference for virgin fiber from certified sources of the Forest Stewardship Council (FSC). Packaging is the box that comes with the product and all paper (including packaging and materials) inside the box.

5 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 plastic 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.

6 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, 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.

7 All HP brand paper and paper-based product packaging will be derived from certified and recycled sources by 2020, with a preference for virgin fiber from certified sources of the Forest Stewardship Council (FSC). Packaging is the box that comes with the product and all paper (including packaging and materials) inside the box.

8 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.

9 This continues a goal from before the separation of Hewlett-Packard Company on November 1, 2015, extending the goal to 2025. Includes data from suppliers associated with HP Inc. and HP Inc. pre-separation business units.

10 Progress through 2018 includes 77,800 factory workers in 2015, 45,700 in 2016, 119,900 in 2017, and 12,000 in 2018.

11 This data does not include participation in Responsible Business Alliance audits. "Participation in our supply chain sustainability programs" is quantified by those programs that go beyond audits to build supplier capabilities to meet our standards. This includes deep dive assessment, weekly reporting of labor metrics, procurement engagement through our supplier Sustainability Scorecard, and in-depth coaching and workshops tailored to supplier risks.

12 Source: Department of Labor. https://www.shrm.org/foundation/ourwork/initiatives/preparing-for-future-hr-trends/Documents/10-15%20Randstad%20Presentation.pdf

13 Includes valuation of employee volunteer hours, employee donations, HP Foundation match, and HP Foundation grants.

14 The HP Foundation is a nonprofit, 501(c)3 organization.

15 The Financial and Risk business of Thomson Reuters is now Refinitiv.

Footprint

1 This report includes updated data for Scope 1 and Scope 2 GHG emissions, and energy use, and water consumption from operations, back to the baseline of 2015, per guidance in the GHG Protocol, to reflect sites that came under HP operational control following the acquisition of Samsung Electronics Co., Ltd.'s printer business on November 1, 2017 (see About our operational data). Data for 2017 and 2018 include improved data that better reflects average laser printer paper usage, compared to 2017 data for product use stated in the HP 2017 Sustainable Impact Report.

2 Carbon and water footprint data presented in this section related to our suppliers is calculated using product life cycle assessment-based estimates for materials extraction through manufacturing and product transportation. Supply chain GHG emissions and water withdrawal data presented on page 85 is based on a different methodology.

Carbon and climate impact

1 This table includes selected examples of identification and assessment processes, risks and opportunities, and management steps. It is not intended to be comprehensive. This table does not intend to convey that the risks and opportunities included are material from a financial perspective. Rather, they illustrate the scope and manner of how we assess and address risks and opportunities in this area.

Integrity and human rights

Human rights

1 Salient risks are those that are severe in potential impact, reasonably likely to occur, and difficult to remediate.

Privacy

1 As of January 2019. https://ec.europa.eu/newsroom/article29/item-detail.cfm?item_id=613841

2 HP cybersecurity baselines align with industry best practices recognized by ISACA, ISC2, ISSA, NIST, SANS, and others.

Government relations

1 3D Printing: ensuring manufacturing leadership in the 21st century, page 15.

Supply chain responsibility

Approach

[1] 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 HP Supplier Code of Conduct audits, assessments, KPI program, Sustainability Scorecard, and capability-building initiatives. "Product transportation suppliers" provide services for the shipping and delivery of HP products. Learn more in Supply chain responsibility: Environmental impact. "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.

[2] In 2018, the value of revenue supported by HP's Sustainability and Compliance organization included retained, new, and potential revenue, where supply chain responsibility was an area of particular interest for the customer.

[3] The information in this section does not reflect suppliers added to our supply chain following the acquisition of Samsung Electronics Co., Ltd.'s printer business on November 1, 2017. We plan to include those suppliers as appropriate beginning in the HP 2019 Sustainable Impact Report. As of April 2019, we have carried out risk assessments on more than 25 suppliers related to the acquisition and added high-risk supplier sites to our program. We will follow up to ensure corrective actions have been implemented to address issues identified and will complete regular assessments.

[4] Progress through 2018 includes 77,800 factory workers in 2015, 45,700 in 2016, 119,900 in 2017, and 12,000 in 2018.

[5] This data does not include participation in RBA audits. "Participation in our supply chain sustainability programs" is quantified by those programs that go beyond audits to build supplier capabilities to meet our standards. This includes deep dive assessment, weekly reporting of labor metrics, procurement engagement through our supplier Sustainability Scorecard, and in-depth coaching and workshops tailored to supplier risks.

Labor

[1] The term "forced labor" refers to situations in which people are coerced to work against their will, either overtly through violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers, and threats of denunciation. HP forbids any forced, bonded, or indentured labor, involuntary prison labor, slavery, or trafficking of persons within its supply chain.

[2] We use these terms interchangeably when describing HP's existing programs and policies.

Responsible minerals sourcing

[1] "Conflict minerals" refers to the mineral precursors of the metals tantalum, tin, tungsten, and gold (3TG) as defined in the U.S. Securities and Exchange Commission (SEC) rule requiring a conflict minerals disclosure. Revenue from mining these minerals in the Democratic Republic of Congo (DRC) and adjoining countries has been widely linked to funding for groups engaged in extreme violence and human rights atrocities.

Environmental impact

[1] 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.

[2] Calculated as a three-year rolling average, through December 2017 (the most recent year data is available).

[3] See HP Announces Supply Chain Goals to Enhance Environmental and Social Impact.

[4] This continues a goal from before the separation of Hewlett-Packard Company on November 1, 2015, extending the goal to 2025. Includes data from suppliers associated with HP Inc. and HP Inc. pre-separation business units.

Audit results

[1] These include child labor, forced labor, severe forms of discrimination, health and safety issues posing immediate danger to life or risk of serious injury, and perceived violation of environmental laws posing serious and immediate harm to the community. We take such findings very seriously, and require suppliers to cease all related practices and report corrective actions taken within 30 days of the original audit. Recruitment fees must be reimbursed within 90 days from discovery and are verified by an on-site inspection within 180 days from discovery. We follow up closely to ensure that all required corrective actions are completed, and visit sites to confirm resolution. Immediate priority findings do not necessarily involve termination of the supplier; we work with suppliers as appropriate to improve their performance and worker conditions in these areas.

[2] Two of these immediate priority findings were external allegations confirmed by HP.

Operations

Our employees

[1] As of October 31, 2018.

[2] Prior to the separation of Hewlett-Packard Company.

[3] Ibid.

[4] As of October 31, 2018.

[5] During calendar year 2018, HP documented 135 recordable incidents, 51 lost workday cases, and 1,125 lost workdays.

Our facilities

[1] As of May 2019.

[2] About GHG emissions data:
This report includes Scope 1, 2, and 3 GHG emissions data from HP's operations, transportation fleet, and employee business travel, calculated according to the Greenhouse Gas Protocol of the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI). See the HP 2018 carbon footprint for more details and an overview of emissions across the value chain.

- Scope 1 emissions include those from the direct use of natural gas, diesel fuel, refrigerants, and PFCs in operations and from fuel used by HP's transportation fleet.
- Scope 2 emissions are primarily from purchased electricity used in HP's operational real estate.
- Scope 3 emissions reported in this section result from employee business travel by commercial airlines and from commuting.

Data in this section for 2015–2018 uses the market-based method. In the data summary, we also include 2015–2018 data using the location-based method.

[3] This includes NEWater (ultra-purified wastewater used in manufacturing operations in Singapore) as well as recycled or reused water reported by sites globally. Grey water is included, rain water is not.

Community giving and volunteerism

[1] The HP Foundation is a nonprofit, 501(c)3 organization.

[2] Includes valuation of employee volunteer hours, employee donations, HP Foundation match, and HP Foundation grants.

[3] Hourly rate based on type of volunteering: $150/hour for board, service corp, pro bono, and skills based; $24.69/hour for hands-on and undetermined, adjusted using World Bank data for purchasing power differences across countries.

Products and solutions

Sustainable design

1 We conduct product carbon footprints (PCFs), a subset of life cycle assessment, of all business HP desktops, notebooks, tablets, workstations, thin clients, all-in-one computers, digital signage, and displays to better understand performance of individual products and our overall portfolio. These estimate total GHG emissions associated with a product over its lifetime and include emissions from materials extraction, manufacturing, distribution, use, and end-of-life management. To assess and report our complete personal systems product carbon footprint, we extrapolate these results to cover 99% of overall personal systems product sales (by unit and by revenue) during the reporting year.

2 The average energy consumption of HP products was estimated annually between 2010 and 2018 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.

3 The average energy consumption (based on ENERGY STAR® program's Typical Electricity Consumption (TEC)) of HP products was estimated annually between 2010 and 2018 using high-volume product lines representative of the overall shipped product volume.

4 The average energy consumption (based on sleep mode power) of newly introduced HP products was estimated annually between 2010 and 2018 using high-volume product lines representative of the overall shipped product volume. The high-volume product lines include HP inkjet printers and exclude PageWide inkjet printers and large-format printers.

5 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. 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.

6 Data for 2017 and 2018 include improved data that better reflects average laser printer paper usage, compared to 2017 data for product use stated in the HP 2017 Sustainable Impact Report.

7 Safer alternatives are rated as GreenScreen® benchmark 2 or better. This data point is calculated based on the total mass of benign and safer alternatives divided by the total mass of products shipped. Commercial and industrial graphics printing solutions products, as well as accessories and packaging for all HP products, are not included in this total.

8 See Joint JEDEC/ECA Standard: Definition of "Low-Halogen" for Electronic Products.

9 Excluding DC cable, AC power cord, and connectors.

10 This number does not include commercial and industrial graphics printing solutions, packaging for those solutions, scanners, personal systems accessories sold separately, or documentation for any products.

11 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 plastic 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.

12 Does not include toner bottles.

13 Less than 2% of paper by tonnage is not labeled as certified, but is made from certified fiber. Recycled fiber for paper products is included in the FSC-certified value.

14 All HP brand paper and paper-based product packaging will be derived from certified and recycled sources by 2020, with a preference for virgin fiber from certified sources of the Forest Stewardship Council (FSC). Packaging is the box that comes with the product and all paper (including packaging and materials) inside the box.

Product responsibility

1 "World's most secure and manageable PC" claim is based on HP's unique and comprehensive security capabilities at no additional cost and HP's Manageability Integration Kit's management of every aspect of a PC including hardware, BIOS and software management using Microsoft System Center Configuration Manager△ among vendors with 1M annual unit sales as of November 2016 on HP Elite PCs with 7th generation and higher Intel® Processors, Intel® integrated graphics, and Intel® WLAN.

2 HP Sure Start Gen5 is available on select HP PCs with Intel processors. See product specifications for availability.

3 HP Sure Recover Gen2: See product specifications for availability. Requires an open, wired network connection. Not available on platforms with multiple internal storage drives. Users must back up important files, data, photos, videos, etc. before using HP Sure Recover to avoid loss of data. HP Sure Recover (Gen1) does not support platforms with Intel® Optane™.

4 HP Sure Run Gen2: See product specifications for availability.

5 HP Sure Click is available on most HP PCs and supports Microsoft® Internet Explorer△, Google Chrome, and Chromium™. Supported attachments include Microsoft Office△ (Word△, Excel△, PowerPoint△) and PDF files in read only mode, when Microsoft Office or Adobe Acrobat are installed.

6 HP Sure Sense requires Windows 10. See product specifications for availability. Introduced in March 2019.

7 HP Sure View integrated privacy screen is an optional feature that must be configured at purchase and is designed to function in landscape orientation.

8 Introduced in March 2019.

9 HP's most advanced embedded security features are available on HP Enterprise-class devices with FutureSmart firmware 4.5 or above and are based on HP review of 2016–2017 published embedded security features of competitive in-class printers. Only HP offers a combination of security features for integrity checking down to the BIOS with self-healing capabilities. For a list of compatible products, visit: hp.com/go/PrintersThatProtect. For more information, visit: www.hp.com/go/printersecurityclaims.

Product and solutions portfolio

1 The average energy consumption of HP products was estimated annually between 2010 and 2018 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.

2 As defined by TCO Edge plastic part definition.

3 As defined by the IEEE 1680.1 2018 EPEAT standard. Data are calendar year 2018.

4 Based on all-in-ones with self-serviceable hard drive, M.2 storage, webcam, and the ability to remove and service the display and PC individually as of September 1, 2017.

5 HP's Forest Positive Framework is built on previous HP achievements in responsible sourcing of HP brand paper and paper-based product packaging. The Framework includes actions in five areas: maintaining HP's long-standing commitment to sustainable sourcing, engaging in collaborative projects with NGOs to support leading forestry science, working with NGOs to restore and protect global forests, leveraging HP's media partnerships to influence positive actions, and advancing printing technology to help customers use paper efficiently. To reduce the burden on forests, HP has also been increasing alternative fiber content in its packaging.

6 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 plastic 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.

7 Compared to the majority of in-class color desktop inkjet all-in-ones <$199 USD. HP internal research survey of printer manufacturers' published specifications, sustainability reports, and press releases as of 1/1/2019 and Buyers

Laboratory Inc. January 2019 study commissioned by HP; keypointintelligence.com/products/samples/hp-envy/. Market share as reported by IDC CYQ3 2018 Hardcopy Peripherals Tracker. The HP ENVY 6200, 7100, and 7800 all-in-one printers contain more than 10% plastic from recycled printers and other electronics by weight of the plastic.

[8] Energy consumption .835 kWh/week based on Keypoint Intelligence/Buyer's Laboratory test report "HP PageWide Managed Color Flow MFP E77650z vs. Competitive Laser Models," January 2019.

[9] Carbon dioxide equivalent (CO_2e) savings based on the average lifetime use of printing 100,000 pages, and excluding paper. Peer-reviewed life cycle assessment models commissioned by HP and conducted by thinkstep for inkjet (August 2016) and LaserJet (May 2016) and updated in 2018 comparing to comparable models of HP Color Laserjets. Specific results run by HP internal LCA experts.

[10] Supplies and packaging materials comparison based on Keypoint Intelligence/Buyer's Laboratory test report "HP PageWide Managed Color Flow MFP E77650z vs. Competitive Laser Models," January 2019.

[11] HP ink cartridges contain recycled HP ink cartridges plus bottles or hangers. HP toner cartridges contain recycled HP toner cartridges.

[12] Based on plan usage, Internet connection to eligible HP printer, valid credit/debit card, email address, and delivery service in your geographic area. Number of countries is as of April 2018.

[13] Based on monthly subscription cost using only all pages in plan vs. cost per page of most color inkjet cartridge printers < $399. Share of New Inkjet Unit Shipments (< $399) for 2018Q1 period in the United States from IDC 2018Q1 Final Release. Standard cartridge CPP from gap intelligence 7/24/18.

[14] Compared with non-subscription purchase of the same HP ink cartridges. Based on a 2017 life cycle assessment (LCA) performed by Four Elements Consulting and commissioned by HP. Analysis includes the CO_2e associated with customer trips to purchase ink cartridges at a retail store versus delivering directly to a customer's house, and it includes recycling empty ink cartridges versus throwing them away. Data and assumptions drawn from six years of customer data in the United States. Reductions in materials consumption, carbon footprint, energy use, and water usage are average values.

[15] Clone cartridges are newly built cartridges that are manufactured to look like Original HP toner cartridges, but use non-HP parts and toner and may violate patent holders' intellectual property rights.

[16] 2019 NA SpencerLab Monochrome Reliability study, commissioned by HP, compared Original HP cartridges with two brands of imitation cartridges for HP Pro M402 and Pro M521 printers; HP 26A and 55A cartridges. For details, see www.spencerlab.com/reports/HPReliability-NA-NBC2019.pdf.

[17] A 2019 NA Market Strategies International study commissioned by HP. Results based on 222 surveys from HP ServiceOne Partners who have at least 6 months of experience servicing HP monochrome and Color LaserJet printers with HP and non-HP toner cartridges installed, and have done so within the previous 12 months of the study. For details, see www.marketstrategies.com/hp/NA-Technician2019.pdf.

[18] 2018 Four Elements Consulting LCA study, commissioned by HP, compared Original HP 80A and 83A monochrome toner cartridges with a sample of new build compatible (NBC) alternatives across eight environmental impact categories. For more, visit http://www.hp.com/go/NA-LJLCA-NBC-2018. The LCA leverages a SpencerLab 2016 study, commissioned by HP, comparing Original HP LaserJet toner cartridges with three brands of NBC toner cartridges sold in NA. For details, see http://www.spencerlab.com/reports/HPReliability-NA-NBC2016.pdf.

[19] Dec 2017 WKI Blue Angel Indoor Air Quality compliance study, commissioned by HP. The study tested New Build Compatible toner cartridge brands sold as substitutes for HP LaserJet Pro MFP M425dn with cartridge 280A. The tests were carried out in compliance with Blue Angel labeling of office equipment in accordance with RAL-UZ-205P. For details, see http://h20195.www2.hp.com/v2/getpdf.aspx/4AA7-1981ENW.pdf.

[20] 2018 Four Elements Consulting LCA study, commissioned by HP, compared Original HP 80A and 83A monochrome toner cartridges with a sample of new build compatible (NBC) alternatives across eight environmental impact categories. For more information, visit hp.com/go/NA-LJLCA-NBC-2018. The LCA leverages a SpencerLab 2016 study, commissioned by HP, comparing Original HP LaserJet toner cartridges with three brands of NBC toner cartridges sold in NA. For details, see http://www.spencerlab.com/reports/HPReliability-NA-NBC2016.pdf.

[21] InfoTrends, 2018 North America Supplies Recycling study, commissioned by HP. Findings are based on average results of interviews with 7 remanufacturers, 2 NBC manufacturers, 3 empty collectors and 3 distributors. For details, see www.hp.com/go/NA-2018InfoTrends. Program availability varies. For more, hp.com/recycle.

[22] Based on comparable competitive binder jetting and selective laser melting (SLM) metals 3D printing solutions available as of July 31, 2018. Productivity claim based on: 1) up to 50 times more productive, on average, based on print speed for serial production up to 100,000 parts, and 2) solution acquisition cost.

[23] Low cost based on comparable competitive binder jetting and selective laser melting (SLM) metals 3D printing solutions available as of July 31, 2018. Expected printer price for 2020 launch for lead customers.

[24] HP Jet Fusion 3D printing solutions using HP 3D High Reusability PA 12 and HP 3D High Reusability PA 11 provide 80% postproduction surplus material reusability, producing functional parts batch after batch. For testing, material is aged in real printing conditions and tracked by generations (worst case for reusability). Parts are then made from each generation and tested for mechanical properties and accuracy.

[25] https://www8.hp.com/us/en/hp-information/environment/product-recycling.html.

[26] In addition to HP Multi Jet Fusion, the assessment included specific 3D printing systems using the following technologies: digital light synthesis, fused deposition modeling, and selective laser sintering.

[27] The HP material and agents do not meet the criteria for classification as hazardous according to Regulation (EC) 1272/2008 as amended.

[28] As of May 2019.

Product repair, reuse, and recycling

[1] Does not include toner bottles.

[2] Compared to the majority of in-class color desktop inkjet all-in-ones <$199 USD. HP internal research survey of printer manufacturers' published specifications, sustainability reports, and press releases as of August 1, 2017 and Buyers Laboratory Inc. 2017 study commissioned by HP; keypointintelligence.com/products/samples/hp-envy/. Market share as reported by IDC CYQ1 2017 Hardcopy Peripherals Tracker. The HP ENVY 6200, 7100, and 7800 all-in-one printers contain more than 10% closed-loop plastic from recycled printers and other electronics plastic by weight of the plastic.

[3] This is the number of countries or territories where HP offers hardware recycling and/or HP ink cartridge recycling and/or HP toner cartridge recycling.

[Δ] Microsoft, Office, Word, Excel, PowerPoint, System Center Configuration Manager, and Internet Explorer are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries.