2015 Sustainability Report

keep reinventing

Contents

Letter from President and CEO Dion Weisler

In 2015, the United Nations adopted its Sustainable Development Goals and world leaders forged the Paris Agreement on climate. Those bold moves are intended to help us protect the planet, end poverty, increase access to quality education and healthcare, and improve economic opportunities for all.

Also last year, we took a bold step, leveraging our long and proud history to become the new HP Inc. We vowed to keep reinventing our company and engineering amazing technologies that make life better for everyone, everywhere—and in doing so, create a better world.

At HP we believe that our actions should address some of the greatest challenges we face as a society, including climate change, gender inequality, access to quality education and economic opportunity, quality healthcare, and clean and affordable energy. I'm proud to say that HP is taking action on 16 of the 17 United Nations Sustainable Development Goals. The breadth of our sustainability programs is evidence of our commitment.

We believe sustainability is a powerful force for growth and innovation, in the world and at HP. It guides how we do business and drives the way our products are designed, made, used, and regenerated. And it is a focal point as we reinvent our business models and operations toward a materials- and energy-efficient circular economy.

We know we cannot do this alone. Working with our partners, employees, and customers, we can keep moving forward responsibly, sustainably, and successfully. Through our technology innovations, we are creating opportunities for everyone by changing the world around us. For example, our commercial 3D printing solutions have the potential to transform manufacturing, reducing waste and the need to burn fossil fuels to transport goods and raw materials. Our hardware and software are blurring the boundaries between the physical and virtual worlds, unlocking amazing new classroom learning experiences.

At HP we measure success through how our actions and solutions help people, businesses, and communities thrive. With operations in 170 countries and territories, our community is the world. In just the first few months as a new company, and with the full support of the most diverse board of directors among U.S. technology companies, HP committed to using 100% renewable electricity in our global operations, achieving zero deforestation associated with HP brand paper and paper-based product packaging, and reducing the greenhouse gas emissions intensity of our product portfolio by 25% by 2020, compared to 2010.

You can find more information on HP's goals and sustainability efforts in this report.

Dion Weisler
President and Chief Executive Officer, HP Inc.

Executive summary

On November 1, 2015, Hewlett-Packard Company separated into two companies. We became HP Inc. (HP), a leading global personal systems and printing business.

Our strategy

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

In the first year of the new company, we're defining our future by setting bold, long-term goals. These efforts will guide our path to reinventing how we make, use and regenerate technology so businesses, communities, and individuals can thrive.

Our new goals

1   Commit to 100% renewable electricity in our global operations with 40% by 2020

2   Achieve zero deforestation associated with HP brand paper and paper-based product packaging[1] by 2020

3   Reduce the GHG emissions intensity of HP's product portfolio by 25% by 2020, compared to 2010[2]

This report includes performance data from Hewlett-Packard Company through FY2015 (which ended October 31, 2015), unless stated otherwise.

Environment

HP circular economy

HP is reinventing how products are designed, manufactured, used, and recovered as we shift our business model and operations toward a materials- and energy-efficient circular economy.

Materials recovery and reuse
Product recycling, print supplies closed loop (rPET, rPP, r2P2), hardware recycled content (PCs, printers)

Reuse/refurbishment
HP Indigo Reconditioning Program, PC and printer reuse

Parts

Product-as-a-service
HP Subscription Services, HP Managed Print Services, HP Instant Ink

Maintenance/upgrade model
HP Indigo, HP PageWide Web Presses, modular design, freely available service manuals

HP Jet Fusion™ 3D printing solution

a circular economy enabler

Products

Services

User

↓11%

decrease in carbon footprint compared to 2014

↓12%

decrease in water footprint compared to 2014

Carbon footprint, 2015*
(Hewlett-Packard Company)

45,432,100 tonnes CO_2e

41% Supply chain

53% Products and solutions

6% Operations

Water footprint, 2015
(Hewlett-Packard Company)

296,140,000 cubic meters

27% Supply chain

66% Products and solutions

7% Operations
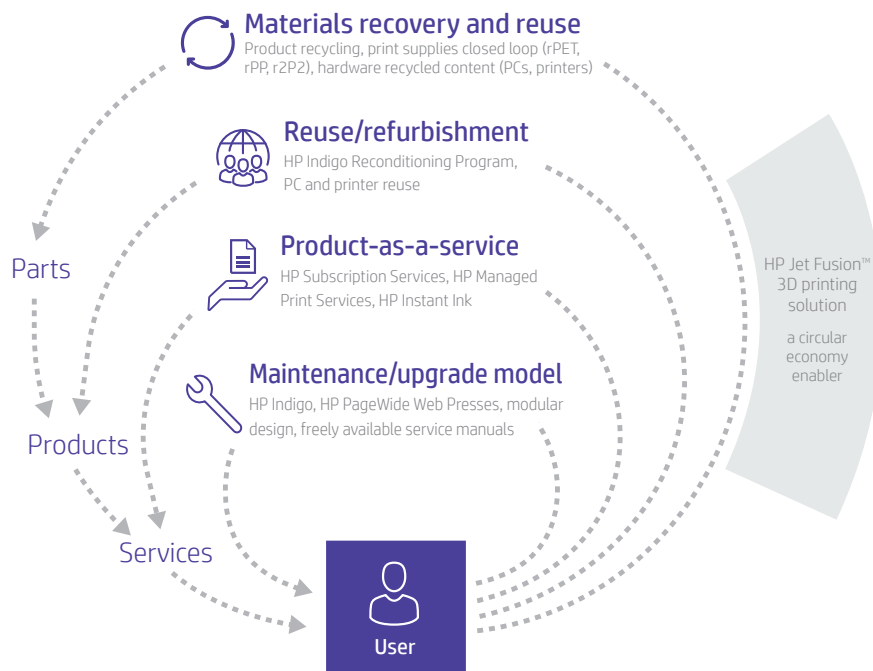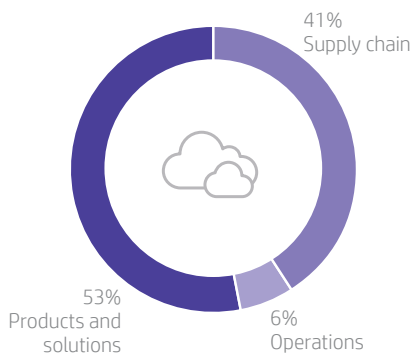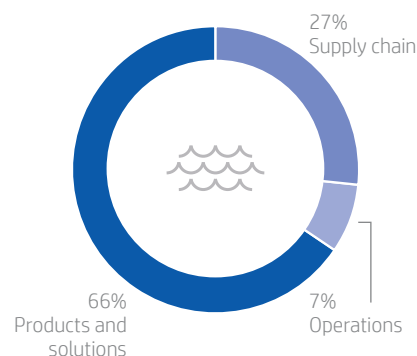
Our footprints decreased due to the ongoing transition from larger desktops to smaller, less energy- and materials-intensive desktops, notebooks, and tablets, as well as improvements in server energy efficiency and reduced printer sales. We expect the carbon and water footprints of HP Inc. to be approximately three quarters the size of Hewlett-Packard Company.

* To calculate Scope 1, Scope 2, and Scope 3 emissions, HP has followed the principles outlined in the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. Additional details on calculations and methodology can be found in the HP carbon accounting manual.

Supply chain

Achieved goal to reduce the GHG emissions intensity of first-tier manufacturing and product transportation suppliers by

⬇20%

by 2020, compared to 2010[3]

This industry-first goal was achieved six years early.

Operations

Achieved goal to reduce Scope 1 and Scope 2 GHG emissions from operations by

⬇20%

by 2020, compared to 2010

This goal was achieved five years early.

Products and solutions

Reduced GHG emissions intensity in product portfolio[4] (including PCs, printers, and servers) by

⬇26%

through 2015, compared to 2010[5]

Product reuse and recycling

We are celebrating the 25th anniversary of our industry-leading HP Planet Partners takeback and recycling program for hardware and supplies.

Since our program began:

1,838,200

tonnes of computer hardware (for reuse and recycling) and HP supplies (for recycling) recovered

In 2015:

41,100

tonnes of electronic hardware recovered for reuse

114,100

tonnes of hardware and supplies recovered for recycling

We collect used products for resale and recycling in 73 countries and territories worldwide.

👥 Society

Supply chain responsibility

In 2015:

92%

of smelters in the supply chain are conflict-free or on the way to becoming conflict-free[6]

96%

of workers at factories reporting monthly data received at least one day of rest every week

84%

of suppliers in the SER scorecard program showed effective or exceptional social and environmental performance

78,000

factory workers were reached during the year through training and empowerment programs

Communities

580,000

people registered for HP LIFE, a free e-learning platform available in seven languages and used in more than 200 countries and territories, through October 2015

$89.6 million

in total social investments were made in 2015[7]

Employees

HP established the most diverse board among U.S. technology companies, with five female and six minority members[8]

More than 38,200 employees contributed 1.2 million hours of volunteer time in 72 countries in 2015

⚖️ Integrity

Privacy

Confirmed our customers' confidence in HP to protect their privacy—less than 1% of our 38 million customers opted out of us retaining their information following the separation

Remained among less than 90 companies worldwide recognized by EU data protection authorities for our binding corporate rules

Government relations

Signed on to the American Business Act on Climate Pledge, Business Backs Low-Carbon USA, Center for Climate and Energy Solutions Statement In Support of a Paris Climate Agreement, and We Mean Business

Human rights

During 2015, embedded human rights risk assessment into the overall corporate compliance assessment process covering 11 corporate functions and business groups

Line managers engaging in WeSupport training modules

HP profile
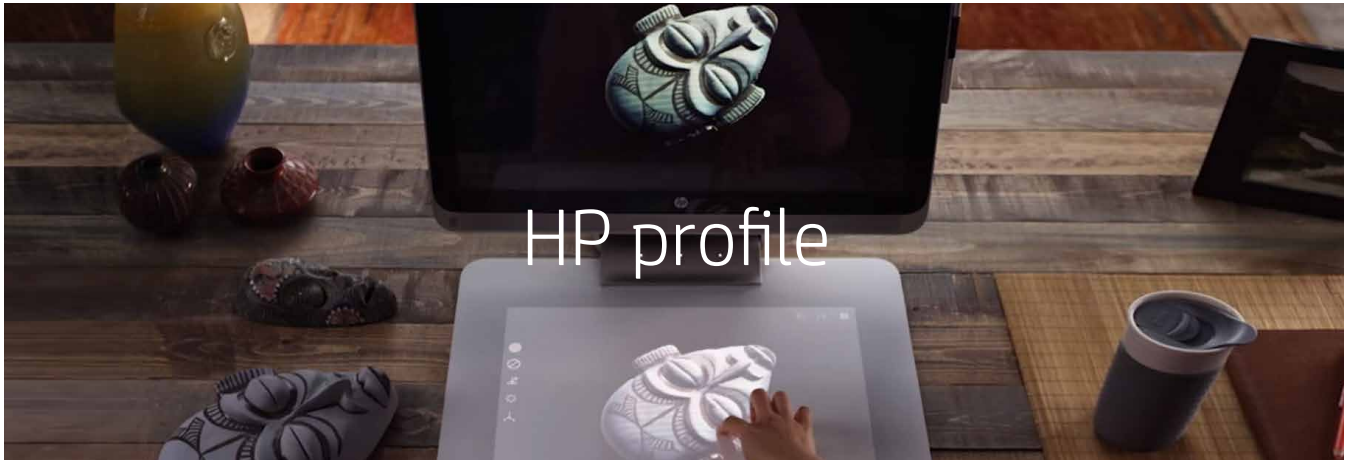
Our vision is to create technology that makes life better for everyone, everywhere – every person, every organization, and every community around the globe. This motivates and inspires us to do what we do, to make what we make, to invent, and to reinvent. To engineer experiences that amaze. This is a new HP.

Our constant pursuit of progress is fueled by the understanding that we must never stand still, backed by nearly 50,000[1] employees and built on a 76-year legacy of engineered innovation.

Building on our market leadership in printing and personal systems, we make it easier and more enjoyable for customers to print, and deliver PCs and other personal systems that combine outstanding design and user experience with great value. We pursue growth in adjacent markets, such as graphics solutions, copiers, and commercial mobility. We are defining new market categories through 3D printing and immersive computing platforms that fuse together the physical and digital worlds. Our core customers consist of individual consumers, small- and medium-sized businesses, and large enterprises, including customers in the government, health, and education sectors.

On November 1, 2015, Hewlett-Packard Company separated into two companies – HP Inc. and Hewlett Packard Enterprise. HP Inc. (HP) is a leading global personal systems and printing business.

Corporate summary

- Dion Weisler, President and Chief Executive Officer, HP Inc.
- Margaret C. Whitman, Chairman, HP Inc.
- Incorporated in the state of Delaware, United States
- Ticker symbol HPQ on the New York Stock Exchange
- Corporate headquarters: Palo Alto, California
- See details about HP's financial performance on our Investor Relations site
- See a list of recent awards and recognition

How we deliver value

Sustainability is fundamental to our corporate strategy and informs our decisions throughout the value chain. It advances our current and future lines of business and helps us meet our customers' needs.

HP business model

	Supply chain	Operations	Products and solutions
Value chain	Six continents, 100's of production suppliers, 10,000's of nonproduction suppliers	Offices and manufacturing facilities worldwide, nearly 50,000 employees	Printers, personal systems, solutions
Stakeholders	Suppliers and their workers	Our employees	Consumers, SMB, Enterprise, Government, and Communities

Personal Systems

Extraction, manufacturing, transportation | Facilities, transportation fleet, R&D centers

Products
Notebooks and tablets
Desktops
Workstations
Displays
Accessories

Solutions
Mobility
Security
Software
Services

Printing

Products
Printers
Ink and toner
Accessories

Sustainability is integrated throughout our business model

Sustainability strategy

At HP, we believe in reinvention. We believe that technology should make life better for everyone, everywhere—and in so doing, make a better world.

Perfect 10

scored by HP for corporate social responsibility in **The Gartner Supply Chain Top 25 for 2016**

Sustainability is a powerful force for innovation. It drives progress toward our business priorities, from designing and delivering our core products and services, to developing new business models and solutions that generate growth. It also helps us unlock value and shape the future through breakthrough technologies such as 3D printing. Through these efforts, we create value for our customers and our business. Our approach covers the broad range of sustainability issues across three pillars:

- **Environment:** HP is reinventing how products are designed, manufactured, used, and recovered as we shift our business model and operations toward a materials- and energy-efficient circular economy. Working with our supply chain partners and others, we are reducing the environmental impact of our products at every stage of the value chain. We invest heavily in R&D to help customers stay ahead of what's next, and enable them to seize new opportunities while advancing their own sustainability priorities. Through industry-leading return and recycling programs, we aim to keep products and materials in circulation for as long as possible, while continuing to drive further closed loop innovations.

- **Society:** We're using our technology, innovation, and scale to help solve society's toughest challenges. Throughout our supply chain, we empower workers and ensure protections for the people who make our products. We demonstrate a deep commitment to our employees, who are central to our company's success, and we are dedicated to fostering a diverse and inclusive company and industry. And, we work with business and nonprofit partners to use our technology, capital, and resources to help develop strong, resilient communities and transform vital sectors like education and healthcare.

- **Integrity:** HP is committed to always acting with integrity, fairness, and accountability, which are fundamental to an inclusive society and a thriving business. We are uncompromising in our expectations of ethical behavior by our employees, partners, and suppliers. We have structures, programs, and processes to safeguard human rights across our value chain. Through robust policies, protocols and controls, we secure the right to privacy of our customers and employees. This commitment to responsible corporate citizenship ensures that HP is a trusted partner to our customers and all of our stakeholders.

CDP A LIST 2015 CLIMATE

100/A

received by Hewlett-Packard Company for the second consecutive year, the highest possible CDP Climate disclosure and performance scores

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with **RobecoSAM** ◖

4 years

in a row, Hewlett-Packard Company named to the Dow Jones Sustainability World Index and North American Index

Working across these three pillars, HP is reinventing how we make, use, and regenerate technology so businesses, communities, and individuals can thrive.

Setting clear goals helps guide our actions and ensure that we are continually improving our performance. This year, we had a unique opportunity to shape the future of our new company by setting long-term goals such as committing to 100% renewable electricity in our global operations, zero deforestation, and reducing the GHG emissions intensity of HP's product portfolio by 25% by 2020, compared to 2010. In the coming years, we will set more goals to drive progress in other areas.

In September 2015, we also expressed our support for the United Nations Sustainable Development Goals (SDGs)and will continue working to ensure their success. View an index of our activities in support of the SDGs.

Our material issues

We periodically conduct materiality assessments to clarify and shape our sustainability strategy, goal setting, and investments. Building on the model previously established, in 2015 we produced a materiality assessment for HP Inc.

Working with the consultancy BSR, we reviewed internal documents, interviewed key stakeholders, and considered developments in our industry and emerging trends in sustainability. We also took into account leading reporting frameworks, including the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, and the Sustainability Accounting Standards Board (SASB) Standards.

The resulting matrix maps issues based on relative importance to sustainable development and to HP's business success, and categorizes each based on the three pillars of our strategy: environment, society, and integrity. Issues 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's sustainability and business strategies.

The results confirmed the continued priority of several topics and identified key areas of increased importance. Several overarching themes and insights emerged from the analysis, including an increased focus on the upstream and downstream impacts of our products and the importance of fostering innovations to support a circular economy.

Additional information about the issues covered by our materiality matrix including their definitions, corresponding GRI G4 Aspects, and the boundary of each Aspect can be found Global Reporting Initiative index and throughout this report.

HP 2015 materiality assessment

● Environment ● Society ● Integrity

● Access to technology ● Freedom of expression	● Energy and GHG emissions in supply chain ● IT as a sustainability solution ● Responsible paper sourcing ● Responsible sourcing of minerals ● Supply chain codes, standards, and engagement ● Use of substances of concern in products ● Waste and hazardous materials in supply chain ● Water in supply chain	● Labor practices in supply chain ● Privacy ● Product energy efficiency ● Product life cycle management ● Social application of IT
	● Board structure and independence ● Circular economy ● Environmental impact of operations ● Intellectual property protection ● Packaging ● Product transportation ● Public policy engagement ● Responsible marketing	● Anti-corruption ● Data and product security ● Diversity and inclusion ● Ethical behavior and business partnerships ● Transparency, accountability, and reporting
● Collaborative economy ● Executive compensation ● Lobbying and political contributions ● Natural disaster relief ● Relationships with law enforcement agencies ● Sale and misuse of IT products and services	● Additive manufacturing ● Employee volunteerism ● Supplier diversity	● Employee training and development ● Employee wellness and benefits ● Occupational health and safety ● Supply chain resilience ● Taxes paid ● Workforce reductions and relocations

Relative importance to sustainable development — High / Low

Low ◄----- Relative importance to HP's business success -----► High

Stakeholder engagement

The success of our sustainability strategy relies on the input of key stakeholders, including employees, suppliers, customers, peer companies, public policy makers, industry bodies, nongovernmental organizations (NGOs), and sector experts. We identify appropriate stakeholders to engage by assessing factors such as their expertise, willingness to collaborate, reputation, location, and sphere of influence. We gather valuable insights for improving our business and sustainability strategy through a range of engagement activities—including partnerships, sponsorships, collaboration on industry initiatives, customer and supplier education, supplier capability-building programs, supplier audits and assessments, conference participation, employee surveys, mentoring, white papers, and more.

2016
CSR Rating
GOLD
ecovadis

Top 1.5%

achieved by Hewlett-Packard Company in the EcoVadis Gold Corporate Social Responsibility Rating in the tech sector

Selected examples of recent engagement activities related to material issues include the following:

- **Circular economy**: As a member of the Ellen MacArthur CE100, HP has engaged with the Ellen MacArthur Foundation on a reverse logistics working group and the development of case study material on Intelligent Assets. Through these efforts, HP is helping to drive forward the adoption of a circular economy model. Read more in Products and solutions.

- **Diversity and inclusion**: The company has collaborated with organizations such as Anita Borg Institute, Catalyst, Leadership Education for Asian Pacifics (LEAP), and the National Action Council for Minorities in Engineering (NACME) to promote inclusion throughout our applicant pool and workforce. Read more in Employees.

- **Environmental impact of operations**: HP joined RE100, a global initiative of top businesses led by the Climate Group in partnership with CDP. The company committed to 100% renewable electricity in global operations, with an interim goal of 40% renewable energy by 2020. Read more in Operations.

- **Labor practices in supply chain**: Following the launch of Hewlett-Packard Company's Foreign Migrant Worker Standard, the company worked with the Electronics Industry Citizenship Coalition (EICC) to strengthen related provisions in its Code of Conduct. Read more in Supply chain responsibility.

- **Public policy engagement**: HP signed a public statement through the White House-led American Business Act on Climate Pledge to support strong climate action and outcomes at COP21. Read more in Government relations.

- **Social application of IT**: HP's Matter to a Million program, through a partnership with the nonprofit microlender Kiva, helps connect low-income entrepreneurs to capital. Read more in Communities.

Numerous additional examples of stakeholder engagement are included throughout the report.

External ratings and rankings also provide HP with external validation and valuable feedback about our progress in sustainability, which we take into consideration as we develop our strategy.

Sustainability governance

HP's sustainability vision and commitment have never been stronger. At all levels of the company, starting with our Board of Directors, we are embedding sustainability further throughout our strategy and value chain.

The HP Board of Directors' Nominating, Governance and Social Responsibility (NGSR) Committee oversees HP's policies and programs relating to global citizenship and other legal, regulatory, and compliance matters regarding current and emerging political, environmental, global, and public policy trends, in addition to its other responsibilities. The Committee receives quarterly updates on key sustainability metrics and results.

Our Executive Leadership Team, led by our CEO, retains overall responsibility for sustainability as part of our business strategy. Our Chief Sustainability and Social Impact Officer, Global Head of Product and Service Sustainability and Compliance, Director of Privacy and Social Responsibility, and Director of Global Environmental, Health & Safety set HP's sustainability strategy and drive progress company-wide. These leaders also provide the interface to the NGSR Committee of the board, and other relevant executive leadership-led committees.

Environment

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

Our footprint

HP's footprint covers our entire value chain, from our suppliers and operations to customer use and product end of service. We have millions of customers and a network of hundreds of production suppliers and tens of thousands of nonproduction suppliers worldwide. Mapping the environmental impact of this complex system empowers us to take action where it matters most.

Hewlett-Packard Company was the first in the IT industry to publish a full carbon footprint and one of the first to disclose a complete water footprint. HP Inc. remains committed to continuing this strong legacy of transparency and leadership in measuring and reducing environmental impact. Understanding and working to improve our performance in GHG emissions and water contributes to achieving the United Nations Sustainable Development Goals in those areas.

The carbon and water footprints describe Hewlett-Packard Company's total environmental impact, including data across the value chain through October 31, 2015, when the company separated. We will publish 2016 footprint data specific to HP Inc. in our next report. We expect the carbon and water footprints of HP Inc. to be approximately three-quarters the size of the Hewlett-Packard Company footprints. We anticipate that the manufacturing supply chain and customer use of our products will continue to be the main contributors to our overall environmental impact. We expect the operations portion of our footprint to be even smaller than in the past, since our employee base at HP Inc. decreased by approximately 80% and the square footage of our facilities was reduced substantially following the separation.

Highlights of 2015

⬇11%

decrease in carbon footprint
compared to 2014

⬇12%

decrease in water footprint
compared to 2014

Carbon

Hewlett-Packard Company's carbon footprint in 2015 equaled 45,432,100 tonnes CO_2e, 11% less than in 2014. Energy and paper consumed during customer use of our products was responsible for more than half of 2015 emissions, and most of the decrease year over year. The key factor was an ongoing transition from larger desktops to smaller, less energy-intensive desktops, notebooks, and tablets. Improvements in server energy efficiency and decreased printer sales also contributed to the overall reduction. Moving forward, this illustrates the importance to HP of innovating to continually improve product energy efficiency and optimize paper use during printing.

Greenhouse gas emissions in the supply chain represented the second-largest contribution to the 2015 footprint, and the other main source of decrease compared to 2014. The volume and type of products manufactured by HP are the key drivers of emissions in this category. During 2015, an ongoing shift toward less materials-intensive personal systems, as well as lower printer sales, contributed to this decrease. HP Inc. remains committed to proactively managing and reducing supplier GHG emissions through goal-setting, supplier collaboration, and providing incentives for ongoing improvement. See Supply chain environmental impact for details.

Carbon footprint, 2015* (Hewlett-Packard Company)
45,432,100 tonnes CO_2e

41%
53%
6%
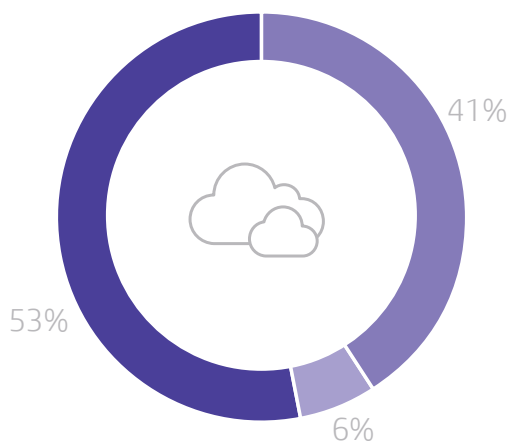
Supply chain 41%

Greenhouse gas emissions in our supply chain result mainly from the raw materials used in, and manufacture of, our products.

Materials extraction through manufacturing 16,600,000
Capital goods 400,000
Upstream energy production 300,000
Transport 1,500,000

Operations 6%

Greenhouse gas emissions from our operations result mainly from the energy used by our facilities around the world.

Facilities 1,321,200
Transportation fleet 110,900
Commercial air travel 200,000
Employee commuting 900,000

Products and solutions 53%

Emissions from the energy our products and solutions consume after sale, while used by customers.

Product use 24,100,000
Product end of service De minimis
Buildings leased to others De minimis
Investments De minimis

* See relevant notes on page 67.

View full carbon footprint data for 2013–2015 and detail about our methodology in the HP carbon accounting manual.

In 2015, Hewlett-Packard Company made strong progress on its GHG emissions reduction goals across the value chain:

- Reduced first-tier manufacturing and product transportation-related GHG emissions intensity[1] in the company's supply chain by 20% through December 2014 (the most recent year data is available) compared to 2010, achieving the 2020 goal

- Helped suppliers prevent 800,000 tonnes CO_2e of GHG emissions, cumulatively between 2010 and 2015, through specific supplier environmental improvement projects, 40% to reaching the goal of 2 million tonnes CO_2e by 2020

- Decreased Scope 1 and Scope 2 GHG emissions from operations by 29% compared to 2010, achieving the goal of a 20% reduction by 2020

- Reduced the GHG emissions intensity of the company's product portfolio[2] by 26% compared to 2010 levels, making progress toward the goal of a decrease of 40% by 2020[3]

HP Inc. has set new goals to continue to drive performance moving forward:

- Achieve 100% renewable electricity usage in global operations, with an interim target of 40% by 2020

- Reduce the GHG emissions intensity of HP's product portfolio by 25% by 2020, compared to 2010[4]

During 2016, we plan to set a new goal to reduce supply chain GHG emissions as well as a science-based target for Scope 1 and Scope 2 GHG emissions from operations. We will include these in our next sustainability report.

Learn more about how we reduce GHG emissions across our business in Supply chain environmental impact, Operations, and Products and solutions.

For the second consecutive year, Hewlett-Packard Company received the highest possible CDP Climate disclosure score of 100 and was among just 5% of participants to make the Climate A List in the CDP 2015 Global Climate Change Report, which evaluates corporate performance to reduce GHG emissions and mitigate climate change. Maintaining its strong record of transparency on climate data and action, the company was also named to the 2015 CDP Supplier A List, and, for the seventh year in a row, was included on the Carbon Disclosure Leadership Index.

Water

Water availability is a growing concern in many parts of the world and HP is committed to understanding and disclosing water use across our entire value chain.

Hewlett-Packard Company's water footprint in 2015 equaled 296,140,000 cubic meters, a reduction of 12% compared to 2014. Electricity consumption across the value chain was the most significant contributor, representing 74% of the total, since electricity generation is a major water user. For this reason, the key driver of the decrease in overall water consumption in 2015 was a continuing shift from larger desktops to smaller, less energy-intensive desktops, notebooks, and tablets. Improvements in server energy efficiency and lower printer sales played an important role as well. The close connection between GHG emissions from energy use and water consumption underscores the importance of our efforts to continually improve product energy efficiency.

Another significant contributor was the manufacturing of paper used by customers in our products, which accounted for 16% of Hewlett-Packard Company's water footprint in 2015. To reduce these impacts, HP Inc. encourages customers to use paper efficiently (such as through duplex printing), to use lower-impact paper, and to recycle paper after use. (For more information, see the Paper section).

Through 2015, Hewlett-Packard Company reduced freshwater consumption per employee at office sites by 26% compared to 2010, achieving its goal of a 20% decrease by 2020. During 2016, we intend to establish a new goal regarding water use in operations, and will include it in our next sustainability report.

View full water footprint data for 2013–2015 and an explanation of the methodology in the HP water accounting manual.

Learn more about how we reduce water use across our business in Supply chain environmental impact, Operations, and Products and solutions.

Water footprint, 2015* (Hewlett-Packard Company)
296,140,000 cubic meters

27%

7%

66%
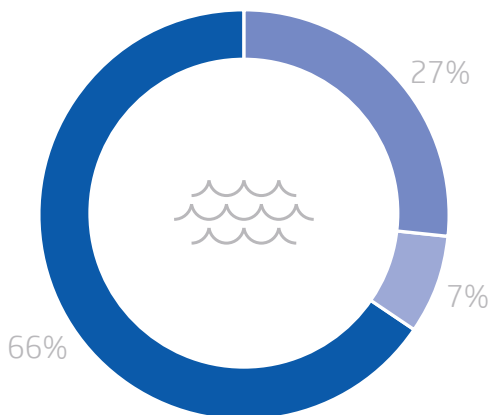
Supply chain 27%

Our suppliers affect our water footprint primarily through their use of electricity. We encourage suppliers to use and discharge water responsibly, and provide tools that improve water management practices.

Direct consumption 21,664,000
Indirect consumption 57,019,000

Operations 7%

While our operations are not water intensive, water availability is a growing concern. We are committed to using less water, especially at operations in water-stressed regions.

Direct consumption 7,226,000
Indirect consumption 15,025,000

Products and solutions 66%

Customers using our products account for most of our water footprint. This water is indirectly consumed through using electricity to power our devices and through paper manufacture.

Indirect consumption – electricity for product use 148,451,000
Indirect consumption – paper use 46,755,000

*See relevant notes on page 67.

Supply chain environmental impact

Throughout HP's supply chain, we implement industry-leading practices and catalyze changes that reduce our environmental impacts globally while benefiting our business and customers. From sourcing the raw materials used to make our products to manufacturing and shipping our printers and PCs, we are committed to building an efficient and sustainable supplier network.

We work with hundreds of production suppliers and tens of thousands of nonproduction[1] suppliers, whose operations contribute significantly to HP's environmental footprint. As a core part of our Supply Chain Responsibility Program, we collaborate with suppliers to reduce these impacts. Our efforts are enhancing suppliers' abilities to measure environmental impacts, and the coverage of suppliers reporting environmental data has increased substantially during the last several years. We're also helping suppliers improve performance, demonstrated by long-term reductions in supplier GHG emissions intensity.

Our priorities

Reduce environmental footprint at production supplier sites

- Support factory managers to adopt energy efficiency programs
- Host summits for production suppliers to share best practices
- Encourage responsible water withdrawal and discharge
- Collect and report waste generation data to promote awareness and effort
- Ensure compliance with our standards

Decrease GHG emissions from product transportation providers

- Enhance and innovate our logistics networks continually for maximum efficiency
- Prioritize lower-impact transport modes
- Improve shipping densities through optimization programs and innovative packaging
- Motivate companies to reduce emissions by developing GHG calculation methodologies with logistics industry associations

Reduce environmental impacts from nonproduction suppliers

- Collaborate to reduce environmental impacts
- Support related reporting efforts
-

Highlights of 2015*

⬇20%
decrease in supply chain GHG emissions intensity compared to 2010 levels, achieving 2020 goal**

⬇6%
decrease in GHG emissions from prior year

⬆15%
increase from prior year in strategic suppliers with environmental reports

* 2014 is the most recent year that data is available for production and nonproduction suppliers, except where noted.
** See endnote 2 on page 152.

Monitoring conformance with HP's Supplier Code of Conduct is also central to our approach. Through rigorous internal and third-party audits, we evaluate supplier performance on key provisions including environmental permits and reporting, pollution prevention and resource reduction, hazardous substances, wastewater and solid waste, and air emissions.

Greenhouse gas emissions

Our primary environmental focus in our supply chain is reducing GHG emissions due to raw materials use, manufacturing, and product transportation. In 2015, these emissions represented 41% of Hewlett-Packard Company's carbon footprint.

Moving forward, we will:

- Set an HP Inc. supply chain GHG emissions reduction goal to drive ongoing progress
- Incentivize suppliers to set and achieve their own GHG emissions-reduction goals
- Continue engaging with suppliers to improve energy efficiency and reduce GHG emissions
- Deploy expanded efficiency initiatives for product transportation suppliers
- Provide suppliers with guidance and support tools on GHG emissions reduction

To learn more about how we calculate GHG emissions, see the HP carbon accounting manual.

Performance

In 2015, Hewlett-Packard Company continued to work toward its industry-first goal to reduce the GHG emissions intensity of first-tier manufacturing and product transportation suppliers by 20% by 2020, compared to 2010.[2] Through December 2014, the most recent year data is available, we achieved that goal with a 20% reduction. We calculate this metric using a three-year rolling average, to decrease the impact of variance year over year and highlight longer-term trends. Even though we saw a net increase in supplier Scope 1 and Scope 2 emissions in calendar year 2014 compared to 2013, the three-year rolling average emissions intensity did not change during that period due to corresponding reductions in revenue and average greenhouse gas emissions.

The company also made progress toward its secondary goal to help suppliers cut 2 million tonnes of carbon dioxide equivalent (CO_2e) emissions between 2010 and 2020. As of December 2015, 40% of this target had been achieved through new supplier energy efficiency improvement projects and existing programs, cumulatively saving 800,000 tonnes of CO_2e emissions and more than $65 million.

Supplier GHG emissions performance, 2010–2015*
tonnes CO_2e
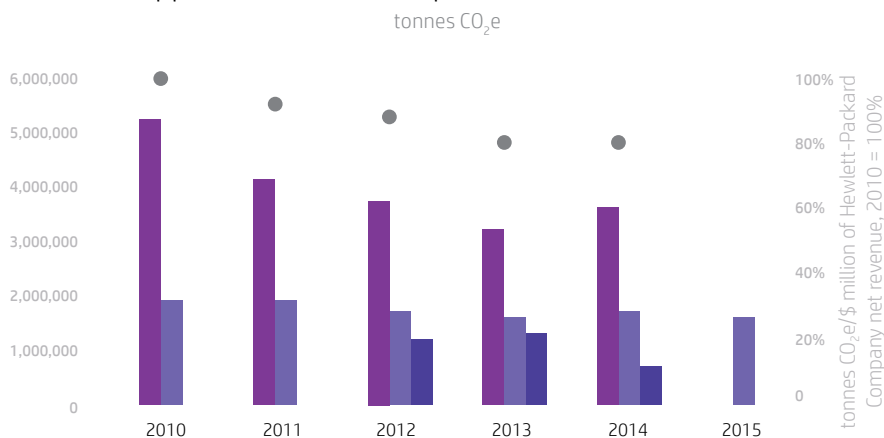
■ Production supplier Scope 1 and Scope 2 emissions   ■ Product transportation suppliers
■ Nonproduction supplier Scope 1 and Scope 2 emissions
● Reduction in first-tier manufacturing and product transportation-related GHG emissions intensity

* See notes *, **, ***, †, and †† on page 68.

For more details on supply chain GHG emissions, including production suppliers, nonproduction suppliers, and product transportation suppliers, see Data. View Hewlett-Packard Company's 2015 carbon footprint.

Production suppliers

Production suppliers provide materials and components for product manufacturing and also assemble HP products for global distribution to customers. In 2014, first-tier production suppliers generated 3,600,000 tonnes of Scope 1 and Scope 2 CO_2e emissions attributable to Hewlett-Packard Company, a 13% increase compared to 2013 levels. We believe this reflects suppliers adding capacity for increased output and changes to our supply base, as well as updated understanding of the greenhouse gas impacts of some substances used in semiconductor manufacturing. Using a revenue-based calculation model may also impact emissions year over year, given price volatility in the technology industry. These changes were partially offset by energy efficiency projects at many supplier locations. Demonstrating increased focus in this area, 94% of suppliers reporting (by spend) had GHG emissions-reduction targets in place, up from 69% the prior year.

We also collect supplier Scope 3 emissions data, to promote transparency and encourage more complete GHG emissions tracking. Moving forward, we will continue to help suppliers enhance the accuracy and completeness of their GHG emissions calculations and reporting.

Our supplier Energy Efficiency Program (EEP) in China and Southeast Asia is our main initiative for increasing efficiency and reducing environmental footprint at production supplier sites. We encourage factory managers to adopt energy efficiency programs and practices, in collaboration with nongovernmental organizations (NGOs) such as BSR, WWF China, and the World Resources Institute. We also hold environmental summits for production suppliers, where we explain our expectations and suppliers share best practices for GHG measurement and reduction. Our next summit will be in Chongqing, China, in 2016.

Through 2015, Hewlett-Packard Company's EEP program has covered more than 200 production supplier sites. HP Inc. has retained the majority of these facilities. Moving forward, we will expand our monitoring of suppliers' efficiency activities and action plans to develop a more complete picture of progress made.

Product transportation suppliers

With more than 1 million products shipped between our manufacturing sites, distribution centers, and customers on any typical day, decreasing the carbon footprint of product transport is vital to reducing supply chain GHG emissions. During 2015, GHG emissions from product transportation decreased to 1.6 million tonnes CO_2e, 6% less than the prior year. Key factors included network optimization and freight consolidation initiatives as well as reduced product volumes.

We work to improve our performance and drive industry standards in three key areas:

More efficient supply chain netwtork

We continually expand and optimize our global logistics network of transportation hubs and routes by improving transportation efficiency, cutting costs, and reducing environmental impact. Wherever feasible, we consolidate shipments and send HP products directly to customers or to the distribution centers closest to them. This increases shipping densities, which, in turn, reduces the number of air and ocean transport miles required. This approach reduces environmental impacts and costs related to the use of airplanes, ocean vessels, trucks, and trains that carry HP products. For example:

- In Europe, HP's logistics hub in Piraeus, Greece, serves as a gateway to 17 countries. This decreases transit times from Asia to Europe by five to 10 days compared to the prior routes, while reducing related GHG emissions and freight costs.
- Across 22 countries, Hewlett-Packard Company pioneered use of the TransEurAsia Railway freight line to more cost-effectively connect inland China to Western Europe. The nearly 7,000-mile journey takes only 22 days compared to 34 days to truck products to the Chinese coast and then ship them to Europe by sea. HP is seeking other industries to use the TransEurAsia Railway to increase capacity, further lowering costs and environmental impacts.
- When products from Asia arrive in the United States, our CenterPool program merges less than full truckloads into full capacity intermodal shipments to our five regional distribution centers. From there, we make final deliveries via full truckload shipments to our customers and resellers.

A faster route from Asia to Latin America

In 2015, Hewlett-Packard Company launched a major new logistics hub in Panama, which exemplifies our approach to improving product transit routes in ways that benefit our customers, our business, and the environment.

This strategic location provides a more direct sea route from Asia to Latin America, allowing HP to bypass Miami and Guadalajara and reduce transit times, freight costs, and associated GHG emissions. The hub's opening coincides with the Panama Canal's largest expansion since it opened in 1914.

Scheduled for completion in 2016, the canal expansion will double the capacity of the waterway, bringing significant environmental and cost benefits to global product companies such as HP. Using this ocean route instead of air transport can lower carbon emissions by more than 40%, while still delivering products to customers in a timely fashion. We anticipate that this shift will also reduce inventory needs by enabling us to ship directly from Panama to customers, and reduce overall transit times for HP products between Asia and Latin America. Our investment in a Panama hub will be key to our progress toward an optimized global product transportation network.

Less environmentally impactful transport

The way we transport HP products impacts our carbon footprint and progress toward our supply chain GHG emissions reduction goal. Air transport is by far the most GHG-intensive mode we use, so shifting to other modes, such as ocean freight, reduces our emissions significantly. In 2015, Hewlett-Packard Company prevented the release of approximately 40,000 tonnes of CO_2e emissions by converting some notebook shipments from China to other countries in Asia, Europe, and the Americas from air freight to ocean freight.

Product packaging also contributes to our product transportation environmental impacts. By developing smaller and lighter packaging, we increase shipping densities and reduce transport-related GHG emissions per product. Read more about our innovative Packaging solutions.

Supporting improvements across the industry

To motivate companies to reduce GHG emissions, HP provides leadership to various logistics-focused environmental associations to help develop industry standard GHG calculation methodologies for freight transport. These include the BSR Clean Cargo Working Group, Global Logistics Emissions Council, Green Freight Asia, Green Freight Europe, the International Air Transport Association, the United Nations Climate & Clean Air Coalition, and U.S. EPA SmartWay[sm].

In the United States, we ship 100% of our products by truck using SmartWay[sm] partners, a program designed by the U.S. Environmental Protection Agency to improve efficiency and reduce GHG emissions from road transport. Hewlett-Packard Company is a four-time winner of the SmartWay[sm] Excellence Award in the large shipper category, including in 2015.

In the United States, we ship 100% of our products by truck using SmartWay[sm] partners.

Nonproduction suppliers

Nonproduction suppliers provide HP with important goods and services that are not directly related to product manufacture, such as staffing, telecommunications, and travel (excluding product transport). We source these goods and services from a wide variety of industries, so we collaborate with select suppliers to help reduce their environmental impacts in ways that are appropriate for their size and sector.

We also offer training and support to improve suppliers' environmental reporting. In 2015, the number of Hewlett-Packard Company's nonproduction strategic suppliers that produced environmental reports increased by 15% compared to 2014.

In 2014, Hewlett-Packard Company nonproduction supplier Scope 1 and Scope 2 GHG emissions attributable to the company equaled 700,000 tonnes CO_2e, a 46% decrease from the prior year. We believe this reflects more sophisticated reporting by some suppliers rather than a substantial reduction in emissions. Moving forward, HP will continue to build on our supplier partnerships to improve reporting consistency and decrease emissions.

Waste

Supporting our suppliers' efforts to decrease waste helps reduce the environmental footprint of HP products. For guidance on waste management and minimization practices, we refer suppliers to the Global Social Compliance Programme (GSCP) Environmental Reference Tools.

HP collects and reports production suppliers' waste-generation data to encourage greater awareness and reduction effort. We are working with suppliers to enhance the coverage and accuracy of the waste data they collect.

In 2014, Hewlett-Packard Company's production suppliers generated 213,000 tonnes of nonhazardous waste attributable to the company, a 31% increase from the prior year. Production supplier hazardous waste generation also increased in 2014, totaling 85,000 tonnes, 15% more than in 2013. We believe this reflects improved supplier data collection and reporting processes. During the year, 59% of Hewlett-Packard Company production suppliers had waste-related goals.

For more detail, see Data.

Advancing with suppliers toward a circular economy

At HP, we work directly with suppliers to decrease waste associated with manufacturing our products. For example, HP has substantial manufacturing operations in Brazil, producing high volumes of computing and printing products. Aligned with our corporate-wide objectives of promoting zero-waste manufacturing and a circular economy, we collaborate with our suppliers in Brazil to innovate and develop projects that feed recycled materials into new products and packaging. We engage many suppliers in our efforts, particularly our long-standing manufacturing partner, which currently produces 100% of HP PCs and printers manufactured in the country, all in one facility.

At that location, Hewlett-Packard Company recycled more than 1,500 tonnes of aluminum and steel from 2013 to 2015, saving about $90,000 and reducing GHG emissions by nearly 3,000 tonnes CO_2e. The company has also utilized plastic from used cartridges in printer parts and handles for notebook boxes, and test paper in new printer pulp-cushion packaging. In 2015, the program expanded to recycle more material streams and find new uses for recovered materials in products and packaging. This included R&D investments to meet technical specifications and product quality requirements to use recycled white plastic in printers.

No waste goes to landfill from manufacturing activities at this site. Where we cannot reuse materials within our own supply chain, we collaborate with other industries to find reuse options. HP will continue to grow this program in Brazil, and to explore opportunities for a similar approach in other markets.

Water

Water scarcity is a growing risk in many regions where HP suppliers operate.

We work with our suppliers to improve water management and encourage responsible withdrawal and discharge. HP is a member of the GSCP and uses its Environmental Reference Tools to help suppliers improve water use practices and other aspects of environmental performance. We use the World Business Council for Sustainable Development Global Water Tool to assess risks to local environments and communities across our supplier base and to identify water-stressed locations to focus our efforts.

HP will continue its supplier water management program—established by Hewlett-Packard Company in China, Mexico, and Turkey—promoting use of GSCP tools to implement on-site improvements.

In 2014, 72% of production suppliers (by spend) provided water withdrawal data, up from 50% in 2013 (data for water withdrawal is extrapolated to 100% of coverage for both years). During that year, production supplier water withdrawal attributable to Hewlett-Packard Company equaled 52 million cubic meters, a 13% increase from the prior year. We believe this increase reflects improved supplier data collection and reporting processes as well as a more accurate understanding of performance across the breadth of our supplier base. During 2014, 71% of Hewlett-Packard Company production suppliers (by spend) had water withdrawal-related goals.

For more detail, see Data. View Hewlett-Packard Company's 2015 water footprint.

Working with our sub-tier suppliers in China

In 2015, Hewlett-Packard Company was included in the Corporate Information Transparency Index (CITI) developed by the Institute of Public and Environmental Affairs (IPE) and the Natural Resources Defense Council (NRDC) to evaluate the supply chain environmental practices of global brands. The company was ranked seventh of 38 global companies in the IT sector, and 14th among the 167 brands assessed. HP is committed to maintaining or improving on this record.

Ensuring that sub-tier suppliers consistently meet our standards for environmental performance requires us to work closely with the first tier of our supply chain. In 2015, Hewlett-Packard Company collaborated with four large first-tier manufacturing suppliers in China, with the goal of ensuring that their sub-tier suppliers comply with local environmental laws, including those relating to air and water pollution, and waste. During the year, the company checked these 834 sub-tier suppliers against the Institute of Public and Environmental Affairs' (IPE) list of environmental violations. Thirteen were found to be in violation of local environmental law. As of the end of 2015, 100% had provided corrective and preventive action plans or monitoring reports, validating that the issues had been addressed and closed. All of those 13 suppliers also provided this information to the IPE or followed the IPE audit process to validate the actions they took.

Solar panel installation at HP San Diego, California, United States

Operations

HP's commitment to transformative innovation spans our entire value chain, including our operations. While HP's offices and manufacturing facilities represent only a small percentage of our overall greenhouse gas (GHG) emissions and water use, we strive to model best practice and to continually improve our performance. Our on-site sustainability policies, programs, and partnerships benefit our business and the environment and deliver value for our customers.

In early 2016, we bolstered our commitment to sustainability by pledging to achieve 100% renewable electricity usage in our global operations. To support these efforts, we joined RE100, a global initiative led by the Climate Group of top businesses committed to using 100% renewable electricity to lead the transformation of global energy markets. As an important step to achieving this ambition, HP set a goal to reach 40% renewable electricity in our global operations by 2020, underscoring the company's dedication to integrating sustainability into its core business strategy.

Our priorities

Reduce greenhouse gas emissions

- Optimize building efficiency and implement efficiency projects
- Generate on-site clean power where feasible
- Secure utility-scale off-site PPA renewable energy contracts in the United States
- Promote more efficient employee commuting and auto fleet

Decrease energy consumption/cost

- Optimize energy efficiency of buildings and operations
- Implement energy efficiency projects
- Pursue deregulated energy where available
- Take advantage of utility incentives/rebates to help fund energy projects

Reduce water consumption

- Introduce efficient water infrastructure
- Deploy smart metering
- Recycle water where feasible
- Prioritize efforts at water-stressed sites

Decrease solid waste

- Minimize waste generation
- Employ cost-effective reuse and recycling
- Increase landfill diversion rate
- Achieve zero waste to landfill where feasible

Highlights of 2015

⬇**14%**

reduction in GHG emissions from operations compared to prior year, achieving 2020 goal five years early

⬇**4%**

decrease in energy use compared to 2014

⬇**3%**

reduction in water use compared to prior year, achieving 2020 freshwater consumption reduction goal five years early

87.2%

landfill diversion rate achieved

Management and compliance

HP owns or leases facilities around the world. Our Environmental, Health, and Safety (EHS) Policy and EHS management systems enable these sites to limit environmental impacts, meet company standards globally, and comply with applicable laws and regulations.

HP investigates all allegations against our facilities of noncomformance with applicable laws. We correct any issues, determine the causes, and take action to prevent recurrence where needed. Newly acquired companies must implement our EHS management systems as part of their integration.

Hewlett-Packard Company's owned and leased manufacturing facilities pursued certification to ISO 14001, the international standard for environmental management systems. Following the company separation, HP will continue to use the standard. ISO 14001 certification was renewed for 13 of our facilities in July 2015 and applies through 2018.

For information on how we manage health and safety and wellness at our facilities, see Employees.

About our operational data

All data reported in this section refers to Hewlett-Packard Company operations through October 31, 2015, prior to the company's separation, unless stated otherwise.

As of October 31, 2015, Hewlett-Packard Company owned and leased 672 sites in 96 countries.[1] This report includes data from 299 sites, including administration and support, core data centers, manufacturing plants, research and development facilities, and warehouse operations. These 299 sites represented 83.9% of Hewlett-Packard Company's total floor space of 6.50 million square meters. Data was extrapolated from comparable data centers and offices for the remaining floor space, unless stated otherwise.

Greenhouse gas emissions

HP facilities worldwide work to reduce climate impacts by decreasing energy use and shifting toward less GHG-intensive energy sources. To drive progress toward our pledge to achieve 100% renewable electricity usage in global operations and our interim goal of 40% renewable electricity in our global operations by 2020, we are applying a three-phase strategy:

- Aggressively reduce energy consumption by optimizing operations/building efficiency and implementing new efficiency projects.
- Increase the use of on-site renewable power.
- Acquire or generate off-site renewable power to offset brown power emissions, including the use of renewable energy credits (RECs) and power purchase agreements (PPAs).

🏠 Introduction **Environment** Society Integrity About this report

About GHG emissions data

This report includes Scope 1, 2, and 3 GHG emissions data from Hewlett-Packard Company'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 Hewlett-Packard Company 2015 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 Hewlett-Packard Company's transportation fleet.
- Scope 2 emissions are primarily from purchased electricity used in Hewlett-Packard Company's operational real estate.
- Scope 3 emissions reported in this section result from employee business travel by commercial airline and from commuting.

To capture the rising corporate demand for low-carbon energy, including contract-based agreements such as renewable energy credits, WBCSD and WRI updated GHG Protocol Scope 2 emissions guidance in 2015. This update covers calculations for emissions from electricity based on location (location-based method) and electricity purchased from energy companies (market-based method). Organizations must now report using both methods to comply with the standard.

Data in this section for 2015 use the market-based method. Data for 2011–2014 reflect a similar approach, using location-based method totals and subtracting the GHG emissions impact from renewables and no/low-carbon energy. In the data summary, we also include 2015 data using the location-based method.

2015 performance

↓29%

decrease in GHG emissions from operations compared to 2010, achieving 2020 goal five years early

In 2015, Hewlett-Packard Company achieved its 2020 goal to reduce Scope 1 and Scope 2 GHG emissions from operations by 20%, compared to 2010. Globally, the company's operations produced 1,432,100 tonnes of carbon dioxide equivalent (CO_2e) emissions, a 14% reduction from 2014 and a 29% decrease from its 2010 baseline[2] of 2,016,700 tonnes of CO_2e. Normalized to net revenue, total operations-related GHG emissions in 2015 equaled 13.9 tonnes of CO_2e per $ million, a 7% reduction from the prior year and 13% less than 2010. Energy use continued to represent the vast majority of facility-related GHG emissions in 2015. A 54% increase in voluntary purchases of renewable energy (especially wind) and switching to the market-based method of calculating emissions both contributed to this decrease year over year.

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www.hp.com/sustainability

GHG emissions from operations, 2011–2015*
(Hewlett-Packard Company)
thousand tonnes CO_2e

- ■ Asia Pacific and Japan ■ Europe, Middle East, and Africa ■ Americas ● GHG emissions intensity**

* Total includes Hewlett-Packard Company's Scope 1 and Scope 2 emissions.

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

See Data for more detail.

Sources of GHG emissions from operations, 2011–2015*
(Hewlett-Packard Company)
percentage of total Scope 1 and 2 emissions

Sources of GHG emissions		2011	2012	2013	2014	2015
Scope 1	Natural gas	4%	3%	4%	4%	4%
	Diesel/gas/oil	<1%	<1%	<1%	<1%	<1%
	Transportation fleet	7%	7%	6%	7%	8%
	Refrigerants (HFCs)	4%	2%	1%	1%	1%
	Perfluorocarbons	<1%	<1%	<1%	<1%	<1%
Scope 2	Purchased electricity for operations	84%	86%	88%	87%	87%
	District cooling and heating (purchased) for operations	<1%	<1%	<1%	<1%	<1%

* Some segments do not add up to 100% due to rounding.

Energy efficiency

Energy use represents a significant amount of HP's annual operating expense. Beginning in 2016, optimizing energy efficiency is the first phase of our GHG emissions reduction strategy. We will incorporate energy efficiency and resource conservation into our day-to-day operations and new construction guidelines to help drive progress. Our facility management suppliers will periodically review operational practices at our major sites and they will perform 2–4 audits annually using guidelines from ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers).

Key energy efficiency projects in 2015 that HP will apply to other sites moving forward included:

- **LED lighting upgrade** Our Corvallis, Oregon, site upgraded 3,600 fluorescent light fixtures with LED tubes, saving 1.05 million kWh of energy annually.
- **Smart building pilot project** In Houston, Texas, we integrated fault detection and diagnostics software with the existing building automation system to identify equipment operating inefficiently and alert the maintenance team. This will save an estimated 1.2 million kWh of energy per year. We may apply this technology to other HP facilities.
- **Retro-commissioning** This project improved the efficiency of existing mechanical and electrical infrastructure at three large HP facilities in Boise, Idaho, Corvallis, Oregon, and Singapore, saving 8.8 million kWh annually.

Hewlett-Packard Company's operations consumed 3,698 million kWh of energy in 2015, 4% less than in 2014 and a 15% decrease from its 2010 baseline of 4,328 million kWh. Numerous successful energy efficiency projects as well as a decrease in overall square footage were key factors contributing to overall reduction in energy use. Energy intensity equaled 35,800 kWh per $ million of net revenue, a 4% increase from 2014 and a 4% increase compared to 2010.

Energy use from operations, 2011–2015
(Hewlett-Packard Company)
million kWh
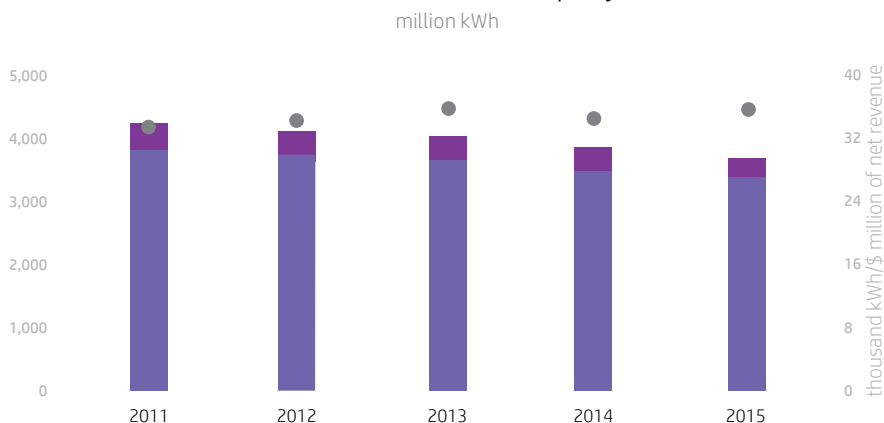
■ District cooling and heating*   ■ Electricity**   ■ Stationary combustion (natural gas and diesel)
● Energy intensity***

* These values are too small to be visible on this graph.

** Includes purchased electricity and energy consumed during on-site electricity generation.

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

See Data for more detail.

Sustainable building design

Our building design guidelines prompt project managers to consider sustainable practices. Enhancing how we design and maintain buildings with sustainability in mind cuts costs, improves energy efficiency, and reduces GHG emissions, water consumption, materials use, and waste. We will expand and refine these guidelines as technology continues to develop.

HP facilities worldwide consider sustainable building standards such as LEED® and Green Mark. We plan to certify two buildings in Vancouver, Washington, United States, and Beijing, China, to LEED® standards during 2016.

Renewable energy

Solar panel installation at HP Kiryat Gat, Israel

Carbon-neutral, renewable energy is central to our global strategy for GHG emissions reduction from operations. In 2015, Hewlett-Packard Company added 300 kW of solar capacity at the company's Kiryat Gat, Israel, facility. HP Inc. currently operates five sites with 2.5 MW of combined installed solar capacity and we support the Energy Buyers Principles. In 2016, we intend to increase both our on-site generation of renewable energy and our use of renewable energy generated off-site through power purchase agreements (PPAs). We also plan to explore more on-site solar energy installations.

Performance

In 2015, Hewlett-Packard Company's installed capacity of on-site renewable energy rose to 9.6 MW, a 62% increase from 2014 and a 377% increase from 2011. Two new solar installations were completed in 2015 in California and Massachusetts, sites now owned by Hewlett Packard Enterprise, which added approximately 3.4 MW of capacity. A utility-scale off-site wind farm PPA in Texas was contracted for 12 years with an annual generation of approximately 450,000 MWh. Moving forward, the renewable energy credits (RECs) for this project will be assigned to Hewlett Packard Enterprise. Hewlett-Packard Company purchased 814 million kWh of renewable energy from outside providers in 2015, mostly through energy contracts in Ireland, the UK, and other European countries, plus renewable energy credits in the United States. Additionally, Hewlett-Packard Company purchased 93 million kWh of no/low-carbon energy from outside providers in 2015 through energy contracts in various European countries.

Business travel and commuting

We have a large workforce whose business travel and commuting habits affect our carbon footprint, and we work to facilitate lower-impact transportation choices for all our employees. Our business travel tools and HP auto fleet drive progress in this area.

- **Business travel:** Our vehicle rental companies provide U.S. Environmental Protection Agency (EPA) SmartWay® certified models when available, and we offer shared rides in large cars, vans, or shuttle buses to major events. We also promote hotels that meet environmental standards such as LEED®, ISO 14001, or Nordic Swan. During 2015, 71% of Hewlett-Packard Company employee room nights were at hotels determined to be in the top four based on environmental considerations such as water and energy conservation. Our intranet travel portal provides information about travel alternatives such as virtual collaboration tools, energy-efficient forms of transportation such as rail, and ways to reduce environmental impact on the road.

- **Auto fleet:** HP works to improve our global auto fleet's fuel consumption, raise the proportion of efficient vehicles, and increase compliance with the company's fleet policy to reduce total cost of ownership. In Europe, we consolidated to a single fuel provider and fuel card system in five countries and plan to further consolidate providers to support better transparency and cost-efficiency.

Performance

In 2015, Hewlett-Packard Company met its goal early to reduce total GHG emissions from its global auto fleet by 20% by 2020, compared to 2010. In the United States, the company met its Clinton Global Initiative Fleets for Change goal to reduce auto fleet GHG emissions by 10% on a per-unit basis by 2015, compared to a 2010 baseline. In Europe, Hewlett-Packard Company reduced fleet average GHG emissions from 128 g CO_2e/km in 2012 to 120 g CO_2e/km in 2015. Commercial air travel by Hewlett-Packard Company employees in 2015 generated 200,000 tonnes of CO_2e emissions, while the transportation fleet generated 110,900 tonnes of CO_2e. See Data for more detail.

Green commuting options for HP employees

Electric vehicle charging stations at HP Corvallis, Oregon, United States

We encourage and support our employees to use energy-efficient transportation options with reduced GHG emissions, such as rail, electric vehicles (EVs), compact cars, and vehicle sharing. In some HP locations we provide EV charging stations, free bus passes, ride-share programs, preferred parking for carpools, bike racks, and related amenities such as showers, lockers, and emergency bike repair kits.

As of the end of 2015, HP offered more than 120 EV charging stations to employees in Germany, India, Israel, the United States and UK. In the United States alone, we had over 1,000 registered EV drivers among our employees.

HP also partners with the U.S. Department of Energy's (DOE) Workplace Charging Challenge, supporting the goal of a tenfold increase in U.S. employers offering workplace charging by 2018. In 2015, the DOE recognized Hewlett-Packard Company for sharing best practices, submitting a workplace charging plan, and completing an annual survey supporting the Workplace Charging Challenge. Together, we are helping make the choice of green commuting accessible to everyone.

Waste and recycling

Nonhazardous waste composition, 2015* (Hewlett-Packard Company)
percentage of total

8.2% Incineration
12.8% Landfill
29.1% Paper
22.1% Other
14.2% Pallets
2.1% Metals
5.2% Electronic equipment
6.3% Packaging materials
Reused or recycled
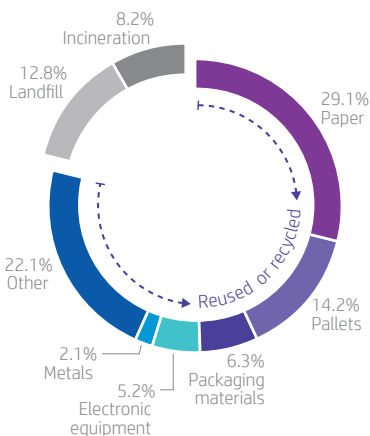
* HP sites report nonhazardous waste volumes and disposition based on information provided by our waste disposal vendors. For sites unable to directly track nonhazardous waste, we estimate volumes and disposition using intensity factors based on similar operations.

Although our facilities around the world do not generate large amounts of waste, we work to decrease related environmental impacts through a global policy of "reduce, reuse, and recycle." We look for opportunities to reduce waste and increase recycling at all HP facilities. With employee support, we recycle paper, plastics, glass, aluminum containers, pallets, and batteries in all buildings where recycling is available.

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 reuse electronic equipment when appropriate, and when necessary, recycle it responsibly through the same programs we offer our customers. See Product return and recycling for details.

Key waste reduction initiatives in 2015 that HP will maintain moving forward include:

• **Diverting furniture from landfill** Hewlett-Packard Company diverted 824 tonnes of used furniture from landfill by selling and donating it to new users.

• **Earth Day recycling** In Barcelona, Spain, Hewlett-Packard Company employees collected 7 tonnes of recycling materials in an office cleaning and recycling day in April 2015. Additionally, increased employee awareness following the event helped raise the landfill diversion rate to 94.1% from 87.5% in 2014.

In 2015, Hewlett-Packard Company generated approximately 70,050 tonnes of total waste, an increase of 1% compared to 2014. The majority of this waste (90%) was non-hazardous. The company achieved an 87.2% landfill diversion rate globally, and at 50 of the company's sites, 100% of waste was diverted from landfill. Hazardous waste rose by 6% globally during the year. This was due to increases in Asia Pacific and Japan, resulting from consolidation of manufacturing from other regions and increased production of printing supplies. HP will continue looking for opportunities to reduce waste during the coming year.

Nonhazardous waste, 2011–2015 (Hewlett-Packard Company)
tonnes
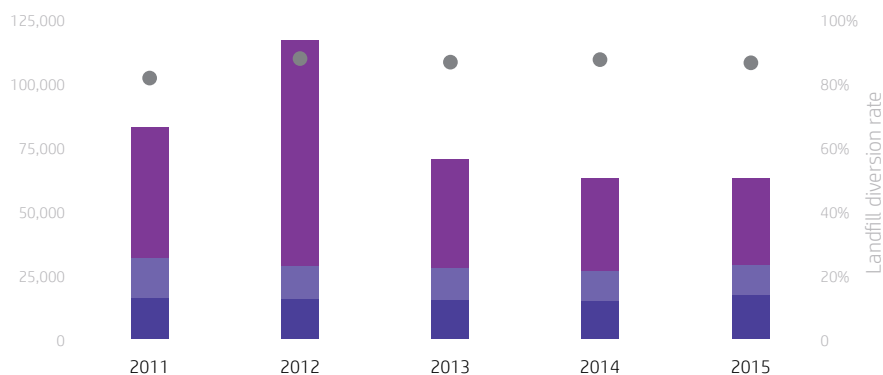
■ Asia Pacific and Japan ■ Europe, Middle East, and Africa ■ Americas ● Landfill diversion rate

See Data for more detail.

Hazardous waste, 2011–2015
(Hewlett-Packard Company)
tonnes

■ Asia Pacific and Japan   ■ Europe, Middle East, and Africa   ■ Americas

See Data for more detail.

Water

With record drought affecting many regions, water availability is a growing concern. While HP's operations are not water intensive, we are committed to reducing our consumption, particularly in water-stressed regions. We use the WBCSD Global Water Tool to assess water scarcity and identify HP sites that are considered water stressed. To promote transparency, we take part in the CDP water program.
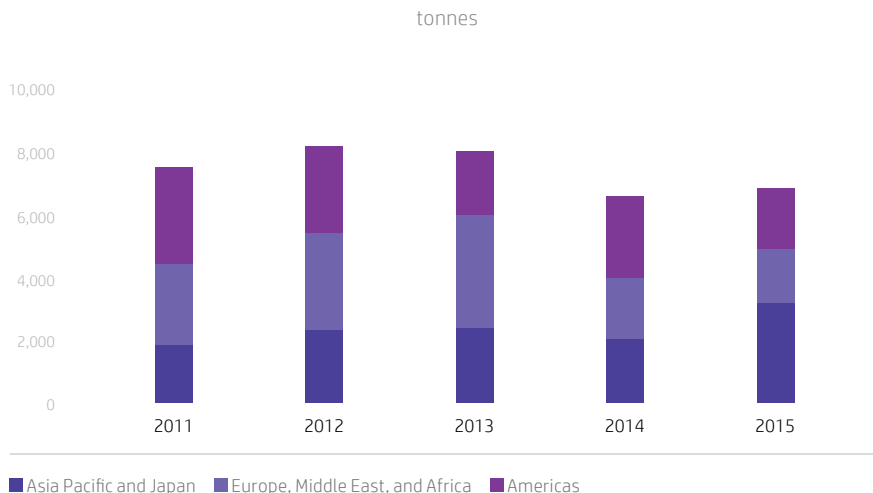
Key water reduction initiatives around the world in 2015 that will continue at HP include:

- **Smart meters** Six Hewlett-Packard Company sites located in Israel installed nearly 100 smart meters which alert staff to potential water leaks and suspicious water flows. Fixing these leaks has reduced water use by 20–25% on average. In 2016, we will expand use of this technology to other sites in Europe and plan to launch our first pilot in the United States.
- **Improved irrigation and landscaping** Two Hewlett-Packard Company sites in California, now shared by HP Inc. and Hewlett Packard Enterprise, responded to local drought conditions by changing landscape and irrigation practices. The Roseville site cut water consumption for irrigation by 34% compared to 2014 and 70% compared to 2013 by upgrading the irrigation control system and adhering to a strict watering schedule. The San Jose Aviation site completed a turf removal project estimated to save more than 11,300 cubic meters of water per year.
- **Water infrastructure upgrades** In Guadalajara, Mexico, a Hewlett-Packard Company site inherited by HP Inc. replaced leaking pipes and a pump that feed well water into a site cistern. Once fixed, water consumption dropped approximately 80%, saving an estimated 60,000 cubic meters of water per year.

Hewlett-Packard Company consumed 7,226,000 cubic meters of water in 2015, mainly for use in buildings, cooling, and landscape irrigation. Water use decreased by 3% compared to 2014 across all facilities and decreased by 5% at the company's 44 priority sites in water-stressed regions. Main factors included decreases in irrigation in drought-affected areas and resolution of substantial leaks at several locations, identified by facility managers or detected by smart meters.

Water consumption by source, 2015*
(Hewlett-Packard Company)
percentage of total
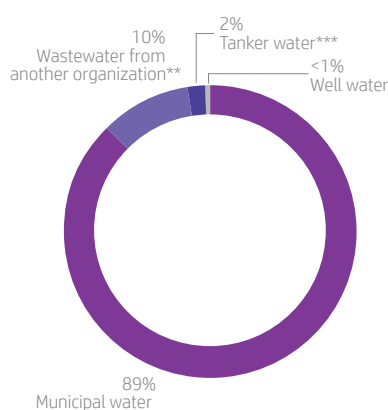
* Direct use of surface water and rainwater are insignificant and not included in data reported. Segments do not add up to 100% due to rounding.

** 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.

Through 2015, Hewlett-Packard Company reduced freshwater consumption per employee at office sites by 26% compared to 2010, achieving its goal of a 20% decrease by 2020. Decreased consumption coupled with higher head count were the main drivers to meeting this goal five years early.

Hewlett-Packard Company recycled and/or reused 291,600 cubic meters of water globally in 2015. Initiatives included:

- **Reusing gray water** Sites in India and Israel use gray water for landscaping and toilet flushing.
- **Reclaiming rejected high purity water** A facility in Singapore reused rejected high-purity water in cooling towers. Our Corvallis plant in Oregon recycled reject water from high-purity water operations back into the process or reused it in acid exhaust scrubbers.

Water consumption, 2011–2015
(Hewlett-Packard Company)
thousand cubic meters

■ Asia Pacific and Japan   ■ Europe, Middle East, and Africa   ■ Americas
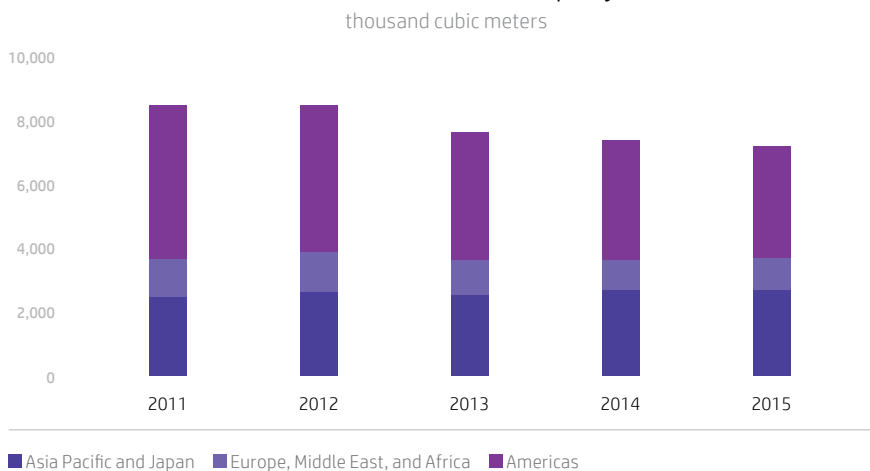
See Data for more detail.

Wastewater

Wastewater is not a significant environmental aspect of HP operations. Our six imaging and printing product-manufacturing facilities generate process effluents that are pretreated, 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.

Operations
2020 goal

We are committed to sourcing 100% of our electricity for our global operations from renewable energy. As an interim goal, we will work to achieve 40% renewable electricity for our global operations by 2020.
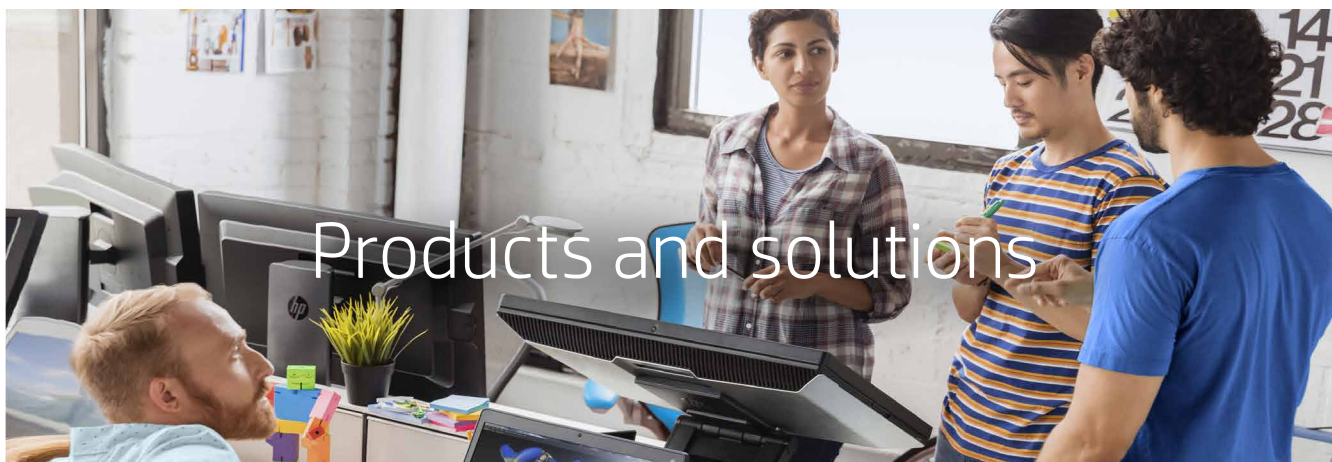
Products and solutions

HP creates technology that makes life better for everyone, everywhere. This includes improving the environmental performance of our products and solutions, which account for the majority of our carbon and water footprints. With increased functionality and performance, our products do more, require less energy and resources to manufacture and use, and are easily reused and recycled. And our service-based business models and investment in new innovations, such as 3D printing, deliver sustainability solutions for our customers, driving progress toward a circular economy.

Our priorities

Improve product sustainability through design

- Use less material, increase recycled and recyclable content, and use materials with lower environmental impact
- Reduce the energy required to manufacture and use our products
- Make responsible return and recycling easier

Offer service models to reduce environmental impacts

- Develop and expand service-based business models to more customers with more products
- Increase product longevity through support and repair

Develop disruptive sustainability solutions

- Drive the analog-to-digital printing and manufacturing transformation
- Embed sustainability further into R&D agenda

Highlights of 2015

48%
of new commercial desktop products contained greater than 10% postconsumer recycled plastic content

1 million+
HP Instant Ink subscribers in six countries as of March 2016, helping reduce customers' cartridge-related materials consumption by 67% per page printed

3D printing
solution launched in 2016—HP Jet Fusion™

-

HP's innovative personal systems, from tablets to laptops to workstations, empower our customers to achieve their goals sustainably while providing the security, durability, and energy and materials efficiency they expect and depend on. As the global leader in printing, we continue to redefine the marketplace and deliver sustainable, next generation solutions for customers.

Building a circular economy

In many industries worldwide, products are created using a traditional, linear model of "take, make, dispose." We recognize that this process is unsustainable and are working to create an alternative which offers significant opportunities for business, the environment, and society.

This innovative approach—the circular economy—is regenerative by intention, using designs that continually recover and reuse materials. It decouples growth from a reliance on increasingly scarce raw materials, benefiting the environment. Companies can save money by gaining more value from raw materials, expand markets through product innovation, improve their reputation by enhancing environmental performance, and strengthen customer engagement and relationships through higher-value product-as-a-service offerings (as opposed to only selling devices).

HP's circular economy strategy is already helping redefine how people work and live. With our resource-efficient product designs and new, transformative business models, we deliver efficient and effective performance, as well as services that fit the needs of customers and communities. Our adaptive IT solutions and service offerings inspire action and motivate others to make a difference, while also helping customers lower their costs and environmental impact. The graphic below illustrates four "loops" that contribute to "circularity," with the inner loops being the most resource effective.

For example, the HP Asset Recovery service, which provides end-of-service management and recycling services for retired IT products, has helped Philips manage more than 82,000 assets in 22 countries on 4 continents during the past five years. After the end of their service life within Philips, HP Asset Recovery service remarketed 91% of the assets and provided responsible recycling for the remainder. Learn more.

HP's 3D printing solution, Jet Fusion, is an important enabler of the circular economy. This disruptive technology facilitates more efficient materials use by streamlining the prototyping process, improving the economics of short-run manufacturing, and avoiding waste associated with mass production. It also enables superior designs for the customer. See case study below.

Materials innovation is integral to progress toward the circular economy. HP is committed to finding ways to incorporate more recycled materials into our products to support the material recovery market and reduce the need for future resource extraction. To be effective in doing this, we are also focused on removing substances of concern from product materials to facilitate their reuse into new products. Similarly, HP is continually improving energy efficiency throughout the product life cycle to enable the economy to move faster toward renewable sources of energy, which is also a key aspect of the circular economy.

Progress in this area demands business leadership, collaboration, and effective public policy. HP belongs to the Ellen McArthur Foundation (EMF) Circular Economy 100, a global platform of leading companies and innovators working to accelerate the transition to a circular economy. Our input, so far, has included participation in a working group on reverse logistics and providing case study material for Intelligent Assets — an EMF report on the connection between the Internet of Things and the circular economy (see Printing for more detail).

We also contribute to public policy discussions related to the transition to the circular economy. Areas of focus include the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal and the legitimate movement of used equipment. Learn more in Product return and recycling.

HP circular economy strategy

Materials recovery and reuse
Product recycling, print supplies closed loop (rPET, rPP, r2P2), hardware recycled content (PCs, printers)

Reuse/refurbishment
HP Indigo Reconditioning Program, PC and printer reuse

Product-as-a-service
HP Subscription Services, HP Managed Print Services, HP Instant Ink

Maintenance/upgrade model
HP Indigo, HP PageWide Web Presses, modular design, freely available service manuals

Parts

Products

Services

User

HP Jet Fusion™ 3D printing solution

a circular economy enabler

Sustainable design solutions

The HP EliteBook Folio

HP products bring sustainable design to life. We produce laptops, workstations, printers, and accessories that do more for our customers while requiring less energy and resources to make and use. And we deliver products that can be easily reused and recycled. HP products account for most of our carbon and water footprints, so improved design is the most effective way to reduce our environmental impact while delivering value to customers.

Our long-standing Design for the Environment (DfE) program, founded in 1992, sets out the approach, tools, and processes that guide our product design teams and more than 50 environmental product stewards. The high percentage of HP products that meet independent eco-label certification demonstrates the importance we place on sustainable product design. (See Communicating product environmental performance.)

HP uses formal, audited management systems and rigorous frameworks in our design processes. For example, product design and development operations for our HP LaserJet Enterprise Solutions and Personal Systems product groups are ISO 14001 certified. This demonstrates that our entire design process across these two product areas adheres to the environmental management systems standard. In addition, we conduct audits of our design and compliance activities, benchmark against industry best practices, and where appropriate, seek external environmental certification for our products.

Our DfE program focuses on the following areas:

- **Materials innovation**: We strive to use materials that have lower environmental impacts and use less material overall. Where possible, we use materials with increased recycled and recyclable content—see Materials
- **Energy efficiency**: We design products that require less energy to manufacture and use—see Energy efficiency
- **Products-as-a-service**: We continue to expand our product-based service offerings, such as HP Managed Print Services, HP Instant Ink, and PC Services
- **End-of-service options**: We make product return and recycling easy for our customers—see Product return and recycling

Our DfE program is an important driver of business value. In 2015, Hewlett-Packard Company engaged with customers whose combined green procurement requirements totaled $15 billion of existing and potential business revenue ($10 billion specifically related to HP Inc.), demonstrating that the company was well positioned to meet those needs.

How HP helps customers extend the life of our devices

Given the rapid pace of innovation in IT and the relatively low price of many products, it is often more compelling to purchase the latest technology than repair aging devices. HP is committed to helping our customers extend the useful life of our products. We offer freely available service manuals for most products (by searching for "repair manual" along with the product name) and a wide range of service options and product warranties that enable customers to repair their devices and maintain product quality. For all business PCs, we lengthen the product life cycle with three-year extended warranties and five-year replacement part guarantees. Furthermore, HP laser and inkjet printers have a three-to-five-year support life for parts. Additional options for extended warranties and repair services for PCs and printer products are available through HP Care Pack Central.

We also make it easy for customers to upgrade products and replace missing or damaged PC and printer parts through HP PartSurfer. Additionally, our easily navigable database of worldwide, authorized support providers helps customers receive correct diagnosis and repair of problems by certified technicians with certified parts.

HP YouTube support videos provide customers with easy-to-access tutorials and instructions on how to keep PCs and printers in peak condition.

Design for the future

Sustainability is fully embedded in our research and development (R&D) agenda, as demonstrated by the following:

- **Current portfolio:** For existing products and services, we focus on driving down costs and energy consumption. This leads to transformational innovations such as HP toner cartridges with HP JetIntelligence technology that deliver up to 33% more pages and 55% less CO_2 emissions[1] per cartridge than previous product generations.
- **Emerging needs**: Through interactions with experts within and outside HP, as well as through partnerships with customers, we work to understand emerging needs and to develop solutions. Looking ahead, we see great potential for 3D printing to revolutionize manufacturing and dramatically lower associated costs and environmental impacts.
- **Breakthrough innovation**: We develop new approaches that address unspoken needs and redefine what technology can achieve. For instance, we are exploring new sensors that can dramatically reduce costs and improve healthcare when combined with "lab-on-chip" and "lab-at-home" technologies, which enable analysis outside the traditional laboratory setting.

In 2015, Hewlett-Packard Company spent approximately $3.5 billion on R&D.

HP's 3D printing technology will help industries cut costs, waste, and GHG emissions

HP Jet Fusion™ 3D printing solution

HP's innovations in commercial 3D printing will enable our customers to fundamentally reinvent manufacturing, transforming industries in ways that drive down cost-per-part, waste, and GHG emissions. This groundbreaking technology enables shorter production runs and manufacture of one-of-a-kind products and parts locally, rapidly, and inexpensively. By removing the barriers to adoption associated with current 3D printing technology, HP 3D printing will help make the technology ubiquitous and bring it to scale.

Key sustainability benefits include:

- Streamlined prototyping processes will enable more rapid iteration in product design and development, including for features that enhance environmental performance.
- Perfect matching of supply and demand will dramatically reduce waste and cost associated with manufacturing products and spare parts that are never used (analogous to improvements HP has achieved by digitizing commercial print production and enabling the analog-to-digital shift). Localized manufacturing will eliminate the environmental impacts and expense associated with transportation to and from large regional or global factories and warehouse operations, and decrease the need for packaging.
- Product lifespans will extend due to the ability of companies to manufacture spare parts on demand that would otherwise not be available or affordable, or would require advanced warehouse and logistics systems.
- Additive manufacturing will dramatically reduce the amount of material needed to make finished parts by realizing complex shapes or redesigning complex assemblies into a single part and reducing waste compared to traditional manufacturing methods.
- Fewer material types used in production may increase the recyclability and value of product materials at end of service.

In 2016, HP launched its first commercial 3D printing solution, Jet Fusion™. This breakthrough product will print high-quality parts for a wide range of applications, with precise high-resolution detail and robust strength, 10 times faster[2] and at a lower cost than other 3D printing solutions on the market.[3] As HP's innovations accelerate the adoption of 3D printing, the impact on other industries will create positive sustainability outcomes that reach far beyond our own products and customers.

Read more about the potential of 3D printing, including how this technology will reduce product-related energy inputs and GHG emissions and can enable the circular economy.

Communicating product environmental performance

We provide customers information on the environmental performance of our products so they can make informed decisions to reduce their own environmental impacts. We communicate this information through the following:

- ECO declarations are an industry standard for providing environmental information about products and product families. In 2015, Hewlett-Packard Company provided ECO declarations for product groups representing 94% of relevant personal systems and printing product sales.[4]

- Eco-labels are third-party standards that recognize environmentally preferable products. Examples include EPEAT®, ENERGY STAR®, China State Environmental Protection Administration (SEPA), and TCO, a Swedish certification. Eco-label certification plays an important role in validating product environmental performance and is often critical to qualifying products for government procurement. Across our portfolio, a large percentage of our products meet these voluntary standards. Learn more.

- HP Carbon Footprint Calculator is a web-based tool our customers can use to calculate and compare energy use, GHG emissions, and costs for approximately 10,000 products (from HP and other manufacturers), including printers, PCs, and monitors.

Eco-labels across our product portfolio (Hewlett-Packard Company)
% models, for products shipped in 2015*

Product group	EPEAT® identifies high-performance, environmentally preferable products				ENERGY STAR® 6.1 or 6.0 qualified recognizes products with superior energy efficiency	China SEPA recognizes energy saving and environmentally preferable products	TCO recognizes various ergonomic and environmental features related to visual displays
	EPEAT® (all categories)	EPEAT® Gold registered	EPEAT® Silver registered	EPEAT® Bronze registered			
Personal systems	81%	46%	35%	0%	87%	54%	67%
Printers	67%	2%	51%	14%	94%	98%	Not applicable

*EPEAT® data is for models registered in the United States. ENERGY STAR® data is worldwide. China SEPA data applies only to products registered in China. TCO data is for displays and all-in-ones registered in Europe. All data is for models shipped anytime during calendar year 2015.

All HP products undergo safety evaluations and testing to ensure that they are safe for their intended use. In accordance with legal requirements, HP provides country of origin information, required product content information, and information regarding safe use and end-of-service management for all of our products. Product compliance declarations and certifications are available online, along with safety data sheets for ink, toner, and batteries.

Collaboration and leadership

HP is a longtime leader in developing, updating, contributing to, and advocating for standards that promote sustainable and energy-efficient technology, such as EPEAT® and ENERGY STAR®. For example, we belong to the working group which updates the Institute of Electrical and Electronics Engineers standard (1680.1) for the environmental assessment of personal computing products. This standard provides clear and consistent performance criteria for product design. We also work closely with TCO certification on sustainability topics ranging from materials restrictions to conflict minerals and responsible labor practices.

Life cycle assessment

Sustainable innovation requires a deep understanding of product environmental performance, from materials selection and manufacturing to product use and end of service. HP uses life cycle assessment (LCA) to quantify the environmental characteristics and impacts of our products and solutions. We also conduct product carbon footprints (PCF) to advance our work to reduce product greenhouse gas (GHG) emissions.

These tools help us identify the processes, components, and materials with the largest environmental impacts, and compare them with possible alternatives. We use those insights to target areas for improvement and inform future product design.

HP follows universal LCA standards set by ISO 14040/14044 and ISO 14025. For PCFs, we use International Electrotechnical Commission Technical Report 62921, which Hewlett-Packard Company helped develop and which streamlines carbon footprint calculations for computer and display products. We continually update our LCA and PCF tools to ensure that they provide the most useful information possible.

Assessing printing products

In 2015, Hewlett-Packard Company completed or updated 64 LCAs, including 48 HP LaserJet printers, 11 HP inkjet products, four scanners, and one graphics printing product. For the first time, this included an LCA on HP DesignJet printing products. Together with prior assessments, 100% of the company's printing portfolio, including digital presses, has now been analyzed using LCA. This enables HP to calculate a carbon footprint for its entire printing portfolio. This work will support HP's efforts to continue to improve our printers' environmental performance moving forward.

In 2015, the company conducted an LCA of the groundbreaking HP LaserJet Enterprise M506dn. This printer leads its class in low energy consumption, using a new toner technology called HP JetIntelligence that enables higher page yields, faster printing, and increased energy efficiency. The LCA demonstrated a cartridge-related CO_2e emissions reduction of approximately 55% compared to the product's predecessor, the HP LaserJet P3015. For more information see Printing.

Assessing personal system products

We use PCFs, a subset of LCAs, to help us understand and reduce the climate impact of our personal systems products. For all HP commercial desktops, notebooks, tablets, workstations, all-in-one computers, and monitors, we conduct PCFs before the product goes to market. Products covered by PCF analysis comprised 96% of Hewlett-Packard Company's personal systems revenue in 2015.

For example, PCFs can help us understand and address the environmental impact of specific manufacturing activities, including the use of fluorinated greenhouse gases (F-GHGs) to clean and etch panels during the production of LCD displays. These potent gases have far greater global warming potential (GWP) than CO_2; SF_6, one of the most widely used F-GHGs in display manufacturing, has a 100-year global warming potential that is approximately 23,000 times greater than CO_2. HP will continue to work with suppliers to reduce the release of F-GHGs during the display manufacturing process through abatement and development of alternative gases.

HP Color LaserJet Pro MFP M476dw

Collaboration

We collaborate with peer companies, suppliers, and academia to advance consistent LCA and related methodologies across the IT sector. HP belongs to a multi-stakeholder effort, developed by the Massachusetts Institute of Technology, which established the Product Attribute to Impact Algorithm (PAIA)—a universal set of carbon footprint methodologies and tools for personal systems. Each year we update our current tools (for notebooks, displays, desktops, tablets, and all-in-one computers). We are also in the process of developing a PAIA tool for our thin client products.

HP is leading an expert group which is developing eco-label criteria to reduce GHG emissions-related impacts as part of the Institute of Electrical and Electronics Engineers (IEEE) 1680.1 standard for computers and displays. This includes such topics as F-GHG emissions in display manufacturing, product life cycle assessment, product carbon foot-printing, and supply chain energy reduction.

Materials

In manufacturing HP products, we work to do more with less, getting maximum value from the materials we use. A key concept in the circular economy is a materials cycle where plastics, metals, and other durable materials are used over and over without being "down-cycled" into lower-grade uses, eventually becoming waste. To achieve a healthy materials cycle, and reduce our product-related environmental impact, HP works to find alternatives to substances of concern, offers robust product recycling systems, and uses recycled content in new products. Together, these approaches drive our sustainability-driven materials management strategy. For instance, through our closed loop recycling process, we recycle old ink and toner cartridges into new products and reduce landfill impacts.

Materials cycle
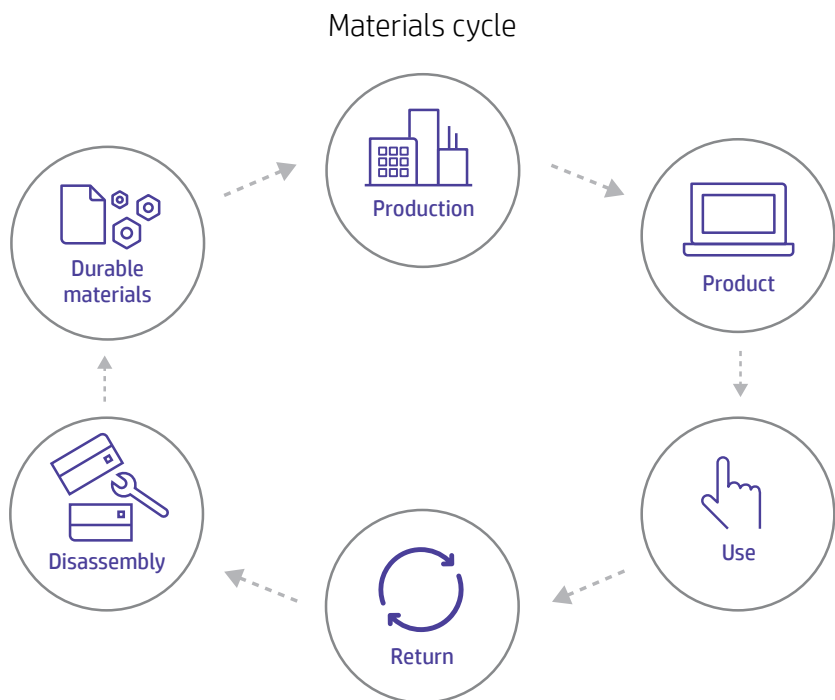
HP recognizes the importance of measuring substances of concern in our products and setting goals for improvement, so in 2016 we will formally participate in the Chemical Footprint Project (CFP). In 2013 and 2014, Hewlett-Packard Company helped develop and pilot the CFP, a third-party benchmark tool launched by Clean Production Action, the Lowell Center for Sustainable Production, and Pure Strategies, that provides companies with a standard way to evaluate progress toward reducing chemicals of high concern and to identify opportunities in this area.

Finding safer alternatives

HP proactively evaluates materials in our products and supply chain, taking into account published lists of substances of concern, new and upcoming legal requirements, and customer preferences, as well as scientific analysis that reveals a potential impact to human health or the environment. When replacing substances of concern, we provide guidance to suppliers on commercially viable alternatives with lower potential impact.

Hewlett-Packard Company began proactively eliminating substances of concern in the early 1990s. Phasing out phthalates, BFRs, and PVC remain key focus areas. All HP Elite and Pro Desktop, All-in-One, and Business Notebook products, and 60% of other personal systems product groups introduced in 2015, are classified as low halogen.[5] All disk drives, application-specific integrated circuits (ASICs)[6] and memory modules are also low halogen. The company also started transitioning to low-halogen printed circuit boards for certain HP LaserJet printers in 2015.[7] HP can also provide low-halogen power cords for PCs and printers in many countries worldwide, depending on the product. HP will further advance these product improvements for our personal systems and printers moving forward. See the HP product proactive materials restriction/substitution timeline for additional information.

We communicate product and manufacturing process substance requirements to our suppliers through the HP General Specification for the Environment (GSE) which restricts certain hazardous substances. In addition, we have extensive supplier monitoring and capability-building programs in place to drive our suppliers to evaluate substances for hazards and ensure proper protection for workers who manufacture and assemble our products. For more information, see Supply chain responsibility.

In assessing viable alternatives we look for materials that meet performance and cost standards while reducing the risk of human health and environmental impacts. HP's alternatives assessment process is aligned with the National Academies of Science publication "A Framework to Guide Selection of Chemical Alternatives" and incorporates the Green-Screen® For Safer Chemicals. We also advocate for use of the GreenScreen® methodology when regulators or eco-label organizations restrict substances of concern. In part as a result of Hewlett-Packard Company's efforts, in 2015 TCO Certified – an international third-party sustainability certification for IT products – announced a new approach, which recommends the use of GreenScreen® to identify suitable alternatives when phasing out hazardous substances in computers, displays, and other electronic devices.

Through 2015, Hewlett-Packard Company completed more than 160 material assessments accounting for more than 80% of the weight of products sold. The company was recognized in Chemical Watch's "Business Guide to Safer Chemicals in the Supply Chain," published in 2015, for achievements in proactively assessing alternatives to substances of concern.

Moving forward, HP will continue to share findings of material assessments with suppliers through procurement guidance documents, enabling them to make better-informed decisions about potential replacements for substances of concern.

HP product proactive materials restriction/substitution timeline*

| 1990 | 1995 | 2000 | 2005 | 2010 | 2015 | 2020 |

Mercury/mercury compounds (except bulbs)

Cadmium

PVC in packaging

Brominated flame retardants (BFRs) in external case plastic parts

Lead in PVC cables

Remaining uses of phthalates (DEHP, DBP, BBP, and DIBP)

DEHP, DBP, and BBP in new personal computing products

Polyvinyl chloride (PVC) from case plastics

Lead

Hexavalent chromium

Ozone-depleting substances

Polycyclic aromatic hydrocarbons (PAH)

DfE programs started

Hexabromocy-clododecane (HBCDD)

Mercury in notebook products

Polybrominated biphenyl (PBB)/polybrominated diphenyl ethers (PBDE) (including decabromodiphenyl ether (DecaBDE))

Remaining uses of BFRs and PVC in new personal computer products with the HP brand

Bis (2-ethylhexyl) phthalate (DEHP), dibutyl phthalate (DBP), butyl benzyl phthalate (BBP), and diisobutyl phthalate (DIBP) in cables

Arsenic/arsenic compounds

Beryllium/beryllium compounds

Bisphenol-A in thermal paper

Antimony trioxide in low-halogen products**

Antimony, chlorine in bleached paper**

- Remaining uses of antimony
- Bisphenol-A
- Mercury in bulbs
- Nonylphenol
- Other perfluorinated chemicals
- Remaining uses of BFRs and PVC
- Remaining uses of certain phthalates
- Selenium/selenium compounds

*Dates refer to when proactively adopted materials restrictions were first introduced on a Hewlett-Packard Company product, ahead of regulatory requirements. Materials in gray text beyond April 2016 have been identified by stakeholders as potential materials of concern. Future possible restriction of those materials depends, in part, on the qualification of acceptable alternative materials. For a comprehensive list of HP's materials restrictions, including numerous materials restricted by HP on a worldwide basis in response to regional regulations, refer to HP's General Specification for the Environment.

**These requirements apply only when designated by specific HP business units.

Using recycled materials

We are committed to supporting the development of recovered materials markets through the use of recycled content in new HP products.

Hewlett-Packard Company's earliest closed loop recycling activities began with creating HP toner cartridges with plastic recycled from the HP Planet Partners program in 2000. Leadership with closed loop plastics recycling expanded in 2005 when the company started using recovered polyethylene terephthalate (PET) from our ink cartridges as a material source for new cartridges. Over time, this program has expanded to include additional cartridges and polypropylene plastic. Through 2015, Hewlett-Packard Company manufactured more than 3 billion HP ink and toner cartridges using more than 177 million pounds of recycled content material. Through this process, the company kept 682 million cartridges, 50 million apparel hangers, and 3.3 billion postconsumer plastic bottles out of landfills, upcycling these materials for continued use. More than 80% of our ink cartridges now contain 45–70% recycled content, and 100% of HP toner cartridges now contain 10–33% recycled content.[8]

Recycled plastic used in HP toner and ink cartridges, cumulative
tonnes

■ Toner ■ Ink

Wherever practical and cost-effective, we also incorporate recycled materials into HP personal systems. In 2015, 48%[9] of new commercial desktop products contained greater than 10% postconsumer recycled (PCR) plastic content, up from 33% in 2014 and 22% in 2013. During the year, 71% of HP commercial displays introduced contained more than 10% PCR plastics, while 27% contained more than 40% PCR plastics. In total, Hewlett-Packard Company used nearly 6,200 tonnes of PCR plastics in shipped PCs and displays—representing nearly 9.1% of total plastics used in personal systems.

Doing more with less

Materials extraction and primary manufacturing contribute significantly to our carbon footprint. Therefore, reducing our materials use is essential to minimizing our environmental impact. In 2015, Hewlett-Packard Company continued to work toward decreasing materials used in products.

Estimated materials use intensity for Hewlett-Packard Company high-volume personal systems and printers, 2014–2015*
tonnes/$ millions of net revenue

	Personal systems		Printers	
	2014	2015	2014	2015
Metal	4.5	3.6	14.7	15.4
Plastic	1.9	1.5	28.0	30.9
Wires/cables	0.8	0.6	0.4	0.4
PCAs	0.7	0.6	1.7	1.7
LCDs	1.4	1.2	0.0	0.0
Batteries	0.3	0.2	0.0	0.0
Total	**9.4**	**7.7**	**45**	**48**

* Personal systems data are based on individual products that are representative of the Hewlett-Packard Company product portfolio for those years. 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 is based on calendar year. Net revenue data is based on HP's fiscal year. In some cases, segments do not add up to total due to rounding.

During the year, materials use intensity decreased (improved) by 18% for personal systems, compared to 2014, driven by the ongoing shift to smaller desktops and laptops (see Personal systems). Materials use intensity in printers increased by 7% over the same period. While absolute printer material volumes fell in 2015, associated revenues decreased by a larger percentage, contributing to the increased intensity value. HP will continue to focus R&D and design innovation on reducing materials use, in line with our environmental goals and customer expectations.

Collaboration

We work closely with industry, governments, and nongovernmental organizations to achieve consistent standards and forward-looking approaches to materials use in the IT sector. We continue to advocate for consistent and stronger legislation in this area, which will help move the industry toward eliminating substances of concern.

In early 2016, HP joined Green America's Clean Electronics Production Initiative, a new multi-stakeholder initiative aimed at moving the electronics industry toward zero exposure to hazardous substances in the manufacturing process. This will help protect workers and the environment while supporting more effective monitoring and control systems. For more information see Supply chain responsibility.

As an active member of the Business-NGO Working Group (BizNGO), HP collaborates with industry partners and environmental groups to advance sustainable materials use. Working with BizNGO, HP has contributed to the development of GreenScreen® and the Chemical Footprint Project, as well as several other initiatives. We also endorse the BizNGO Principles for Safer Chemicals and have integrated these into our materials strategy.

Through the International Electronics Manufacturing Initiative (iNEMI), we collaborate with industry partners to develop alternative materials, such as those used for low-halogen printed circuit boards, and to improve alternative materials assessment standards. In 2015, Hewlett-Packard Company co-chaired the Alternative Materials Assessment Workgroup, which provided the electronics industry with a common methodology for performing assessments of alternative materials. The methodology, which aligns with the National Academy of Sciences' framework, also evaluates tools that IT companies can use for performing assessments. The company also participated in iNEMI work on metals recycling.

Energy efficiency

Continually improving the energy efficiency of our product portfolio fulfills our commitment to deliver better, more cost-effective, and less GHG-intensive technology solutions to our customers. We strive to make energy efficiency improvements to each new generation of HP personal systems and printing solutions. To support these innovations, we use multiple ways to assess energy performance across our portfolio. Our product use carbon footprint and water footprint — assessed on an absolute basis and taking into account shipped volumes — measure the overall environmental impact related to customer use of HP products. Product energy intensity enables us to assess the performance of individual devices.

A new goal for a new company

The energy that customers consume using our products accounts for a significant portion of our overall environmental impact. In 2014, to drive ongoing improvement, Hewlett-Packard Company set the goal of reducing the GHG emissions intensity of its product portfolio[10] by 40% by 2020, compared to 2010 levels.[11] As of October 31, 2015, the company had achieved a GHG emissions intensity reduction of 26%.

During the first part of 2016, HP set a new goal to drive progress moving forward: Reduce the GHG emissions intensity of HP's product portfolio by 25% by 2020, compared to 2010.[12] This goal reflects the company's personal systems and printing products and the potential for improvement in those areas, and no longer includes servers as in past years. It builds on a 50% reduction of product energy consumption that the company achieved between 2005 and 2010.[13] We will achieve this goal through continued design innovation — making products that do more while requiring less energy in use.

Product energy efficiency

We improve energy efficiency across our portfolio in various ways. Examples include more efficient central processing units in our PCs (see Advanced Micro Devices partnership), enhanced printer toner technologies that require less energy to warm and use (see HP JetIntelligence), longer lasting batteries, and user-controlled power-management options.

Other examples of innovative products that are driving HP's energy efficiency gains include:

- **Personal systems:** Due in part to its slimmer size, the HP EliteDesk 800 G2 Desktop Mini uses 31% less energy than its predecessor and 92% less energy than the EliteDesk 800 G1 Ultra-Slim Desktop, while providing top-of-the-line, business-critical computing. Since 2010, HP has reduced the energy consumption of our personal system portfolio by 25% on average.[14]
- **Printers:** In 2015, Hewlett-Packard Company launched five HP LaserJet printers rated by EPEAT at the Gold level in the United States, including the HP LaserJet Enterprise M506dn[15], which uses up to 42% less energy than its predecessor. Since 2010, the energy consumption of the HP LaserJet portfolio decreased by 56% on average,[16] and that of the HP inkjet portfolio decreased by 20% on average.[17]
- **Product-as-a-service:** HP Managed Print Services helps our customers reduce their printing-related energy use by up to 40%.

Product use carbon and water footprint

In 2015, 53% of Hewlett-Packard Company's overall carbon footprint resulted from the energy, paper, and ink and toner cartridges that customers consume during product use. Of the total, 39% was due to electricity consumption. Greenhouse gas emissions related to product use fell by 15% compared to 2014, largely due to a continued shift from larger desktops to smaller, less energy-intensive desktops, notebooks, and tablets. Improvements in server energy efficiency and a decrease in printer sales also contributed to the overall reduction.

The use of these products also represented 66% of the company's 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 associated with product use decreased by 14% compared to 2014. The main factor, similar to the carbon footprint, was the ongoing shift toward products such as smaller personal systems and notebooks and tablets that require less energy in the use phase.

GHG emissions from product use* (Hewlett-Packard Company)
tonnes CO_2e

Product group	2014	2015
Personal Systems	11,600,000	9,100,000
Printers (energy)	3,700,000	3,600,000
Printers (paper and ink/toner cartridges)	6,700,000	6,400,000
Servers	6,100,000	4,900,000
Total	28,100,000	24,000,000

* See relevant notes on page 70.

Water consumption related to product use* (Hewlett-Packard Company)
cubic meters

Product group	2014	2015
Personal Systems	95,486,000	76,380,000
Printers (energy)	30,821,000	29,394,000
Printers (paper)	51,327,000	46,755,000
Servers	50,653,000	41,546,000
Total	228,287,000	194,075,000

* See relevant notes on page 71.

Innovation in 2015

We develop innovative products and solutions across our broad portfolio that help HP and our customers improve environmental performance and advance toward a circular economy. Learn about several recent examples in the sections that follow.

Personal systems

HP is the global market leader in commercial personal systems, which include desktops, notebooks, workstations, thin clients, tablets, and displays. Reducing the environmental impact of our personal systems products advances our business—differentiating HP in the market and delivering performance and sustainability results for our customers. We make energy efficiency improvements to each new generation of personal systems, design new models that reduce materials use, and incorporate materials innovations such as PCR plastic. We also offer customers resource-efficient delivery models such as HP Subscription Services that keep computing products running smoothly for as long as possible. Since 2010, we have decreased the energy consumption of our personal systems product portfolio by 25% on average.[18]

Product efficiency

Personal systems accounted for 38% of Hewlett-Packard Company's product use carbon footprint in 2015. Through product design and strategic partnerships, we continue to improve the efficiency of our personal systems, reduce our environmental footprint, and support our customers' sustainability goals.

In 2015, four of our displays qualified for the Energy Star Most Efficient Category, delivering "efficiency performance that is truly exceptional, inspirational, or leading edge—consistent with the interests of environmentally motivated consumers and early adopters."[19] See more information about eco-labels.

HP EliteDesk 800 G1 Desktop Mini

Smaller desktop PCs provide customers with sustainability and cost advantages while reducing HP's environmental footprint. In 2015, we continued to help customers transition from the ultra-slim desktop tower (USDT) to the current HP EliteDesk 800 Desktop Mini. The latter product is a top-of-the-line PC designed for business-critical computing, with numerous accessories that enable expandability and flexibility. HP offers a full line of Desktop Mini models. These models use 79% less material than the USDT without sacrificing performance. The Desktop Mini's smaller size also reduces GHG emissions associated with materials extraction through manufacturing, and cuts customer costs by using 28% less energy than its Tower equivalent. The market in general is trending toward smaller form factors, and sales of the Desktop Mini increased fourfold from 2014 to 2015. This product's success has contributed to our ability to reduce plastic and metal per unit shipped by 23% and 16%, respectively, from 2014 to 2015 across our business desktop portfolio.

Through an exclusive agreement with Advanced Micro Devices (AMD), a leading microprocessor design company, we were the first to use their latest central processing unit (CPU), allowing us to take the energy efficiency for our PCs to the next level. Currently used in four HP products—the EliteDesk 705 G2 Desktop Mini, the EliteBook 725 G3, the EliteBook 745 G3, and the EliteBook 755 G3—AMD's latest hardware more effectively prioritizes system tasks between a computer's graphics processing unit and CPU. Customers benefit from best-in-class performance coupled with a 50% reduction in total energy use and associated costs compared to previous-generation models in similar configurations.

The Spectre x360: Delivering performance and sustainability

HP Spectre x360

Launched in 2015 and recognized for its innovative design, the Spectre x360 is a notebook and tablet in one. In addition to sleek appearance, remarkable functionality, and a battery life that is upwards of 10.5 hours, the Spectre x360 is one of the few EPEAT Gold[20] registered consumer notebook products on the market and does not use harmful halogenated flame retardants.[21] It is also ENERGY STAR qualified, and eliminated the use of cadmium, lead, hexavalent chromium, and mercury, as well as the use of PVC from large plastic parts.[22] Finally, its modular design facilitates easier repairs and upgrades, and promotes extended product life.

Sustainable design and certification

Through thoughtful materials selection and product design, we reduce the impacts of our personal systems products across their life cycle.

To meet customer expectations and improve environmental performance, we increasingly use PCR content plastic in our products. In 2015, 48%[23] of new commercial desktop products contained greater than 10% PCR plastic content, compared to 33% in 2014 and 22% in 2013. (See Materials for related information.)

Our personal systems portfolio includes more products independently certified to ENERGY STAR and EPEAT than any other major manufacturer. In 2015, with the certification of 16 of our business display models, more of our products achieved the TCO Certified Edge standard than any other manufacturer. TCO Certified, the most comprehensive third-party certification for IT products, uses criteria based on scientific principles, and involves multiple stakeholders and experts in an open development process.

Product reliability is another important aspect of sustainable design. All HP Elite notebooks, tablets, and desktop PCs undergo multiple tests using the MIL-STD-810G standard to ensure that those products meet customers' product reliability expectations.

How service models benefit customers and the environment

Through HP Subscription Services, our business customers have access to our latest and most energy-efficient products without the up-front costs of purchase. Every two to three years, HP customers can upgrade to the newest hardware and software, supported by a service relationship that keeps products running smoothly. With HP TouchPoint Manager™ our resource-constrained business customers can keep their PC fleets running at peak performance, staying ahead of software and hardware issues that might inadvertently trigger replacement without an IT management toolset.

When customers return products, we either refurbish and place them back in service, or provide responsible disposal. This approach enhances customer productivity while maximizing the value we get from the materials used in our products. HP Subscription Services illustrates how HP is diversifying its business in ways that shift toward a resource-efficient, service-based model that supports the circular economy.

Printing

HP is the global leader in environmentally responsible printing solutions, with more eco-label-recognized products than any other printing company. We design products that provide unique solutions to customer needs and deliver continual improvements in energy and material use. Breakthrough innovations such as HP JetIntelligence toner and 3D printing combine high performance, next generation technology with step change reductions in environmental impact. Our modular design web presses enable greater product longevity while supporting the printing industry's analog-to-digital shift. And, our product-as-a-service printing solutions provide customers with the latest technology while unlocking efficiencies and keeping products, components, and materials operating at a high level for as long as possible.

Improving product efficiency

Printing and imaging accounted for 42% of Hewlett-Packard Company's product use carbon footprint in 2015.

Moving forward, HP will continue to make each new generation of products more efficient than the last, so they can do more while using less energy and materials. Sustainability is integral to our printing portfolio, driving business value and progress toward our 2020 product GHG emissions intensity reduction goal.

Printing products across our portfolio qualify for a broad range of eco-label certifications such as EPEAT®, ENERGY STAR® and Blue Angel. HP offers business customers and consumers the greatest number of ENERGY STAR-qualified multifunction printers in the industry. Models that meet the most recent ENERGY STAR requirements are 40%[24] more energy efficient on average than standard multifunction printers. Highlights for 2015 among new and existing HP products and solutions include:

HP LaserJet portfolio: Since 2010, energy consumption of our HP LaserJet portfolio decreased by 56%[25] on average. In 2015, Hewlett-Packard Company launched five HP LaserJet printers rated by EPEAT at the Gold level in the United States—HP LaserJet Enterprise M506dn, HP LaserJet Pro M402dn, HP LaserJet Enterprise Flow MFP M527c, HP LaserJet Managed Flow MFP M527cm, and HP LaserJet Enterprise Flow MFP M527z.[26] Nearly all models feature packaging that is 90% compostable or recyclable.

The HP LaserJet Enterprise M506dn is 30% lighter than its predecessor, contributing to a 52% reduction in GHG emissions associated with its production. HP testing revealed that the M506dn consumes up to 42% less energy during use due largely to HP JetIntelligence toner technology.[27] The new HP LaserJet model prints more pages per cartridge, and wakes up, prints, and duplex prints in a fraction of the time of its predecessor.

HP JetIntelligence: Driving energy and cost savings for customers

HP LaserJet 508A JetIntelligence toner cartridge

HP JetIntelligence represents the most significant laser printing re-engineering since the first HP LaserJet printer launched in 1984. Built around a breakthrough in toner chemistry, this innovation delivers significantly higher performance and environmental benefits to our customers than previous technologies.[28]

HP JetIntelligence is an HP exclusive, new cartridge technology that delivers up to 33% more pages per cartridge than previous generations, peak printing performance—including easy installation and high print quality—and anti-fraud technology. It incorporates the HP ColorSphere 3 toner formulation, which is specially designed to work together with the latest line of smaller, faster HP color LaserJet printers. It has a soft core that facilitates quicker melting and a durable shell which reduces toner wear over the life of the cartridge.

As a result, HP toner cartridges with HP JetIntelligence contribute up to 55% less CO_2 emissions[29] than the previous generation of HP LaserJet printer, HP LaserJet Enterprise P3015. This technology is now being deployed across all our laser printers, bringing customers significant energy and cost savings.

Inkjet portfolio: HP's 2015 consumer inkjet portfolio uses 82% less energy than the 2005 portfolio (the first year that we tracked energy consumption). Since 2010, we have reduced the energy consumption of our consumer inkjet portfolio by 20%[30] on average.

HP PageWide Technology: HP PageWide Technology prints with professional quality at faster speeds while using less energy than ever and reducing the carbon footprint of printing. At the core of this technology is the page-width print head, which remains stationary while printing and lays down all four colors in one pass. The simplicity of this process improves efficiency and reliability compared to the mechanical complexity of standard inkjet and laser printing technologies.

Our latest HP PageWide Pro and HP PageWide Enterprise business printers demonstrate our sustainable design priorities of energy efficiency, materials innovation, and design for recyclability. According to a third-party analysis, business printers using HP PageWide Technology use up to 71% less energy and generate up to 95% less supplies and packaging waste than comparable laser printers,[31] and can reduce the carbon footprint of printing by up to 52%.[32]

Enabling digital transformation

The analog-to-digital shift is well underway for the printing and publishing industry, as well as many other commercial and industrial sectors that produce printed content such as marketing collateral, labels, and signage. Our digital web presses are helping drive this trend. Customer benefits include reducing waste by creating more tailored materials and better matching supply and demand.

We continue to expand our digital press portfolio across growing applications and segments, including corrugated packaging in 2015. Our presses, including HP PageWide Web Presses and Indigo Digital Presses, enable customers to produce highly customized printed materials in a shorter time and with significantly less waste due to overrun, setup losses, or other mismatch between supply and demand. See how one customer has used HP PageWide Web Press technology to produce customized coupon booklets, saving paper and money and increasing response rates.

Improving sustainability and customer value through modular design

HP Indigo digital press

We use innovative design to extend the life of two of our highest-value product lines, reducing environmental footprint and saving customers money. HP PageWide Web Presses have a modular design that allows customers to build on the base model as their needs evolve. This adaptability helps customers access the functionality they need as business demands change.

For HP Indigo digital presses, we offer a reconditioning program through which units sourced from customer trade-in undergo meticulous refurbishing at our own factories. Reconditioned presses provide an economical, high-performance solution for customers—each reconditioned product achieves print quality equivalent to a newly manufactured press. Indigo is also committed to extending the versatility of its digital presses with new capabilities via software, a wide range of specialty inks, and print enhancement features so that customers can get the most value from their investment and may not need to invest in other equipment to perform these special functions.

Increasingly, HP derives value from solutions like these that keep products working for customers while supporting our transition toward a circular economy.

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. This model, a growing area of business for HP, also helps keep products, components, and materials operating at a high level for as long as possible, further supporting the circular economy.

Indigo digital presses: Ensuring efficient use of supplies and long-term support for high-value presses are key priorities for our service-based solutions. HP Indigo's click-charge business model, where consumables used during printing are included in a cost-per-print fee, provides us an incentive to deliver consumables in the most resource efficient way possible, reducing waste and supporting important aspects of the circular economy. Some key innovations include:

- Indigo's RIO system is the culmination of efforts to continuously reduce the amount of oil needed for our presses. Through this system, customers are able to use what was previously considered to be waste oil from the press, reducing waste oil by 20–50% on average.
- We work to reduce materials waste related to printing by collecting and refurbishing a majority of used Binary Ink Developers (BIDs) from customers, and offering the Series 3 large ink cartridges which decrease ink-cartridge wastes per print impression by approximately 30% over the previous ink cartridge design.
- Indigo's Printcare troubleshooting and diagnostics software helps maintain the productivity of digital presses by optimizing replacement frequency for consumable and spare parts, and helping customers resolve any issues locally, avoiding unnecessary travel by service specialists.

HP Managed Print Services (MPS) helps clients of all sizes and across industries optimize, manage, and improve their printer fleets and digital workflows by combining hardware, supplies, software, and services. Our experts provide environmental assessments and consulting, tailored to an organization's printing practices and preferences. Through these services, we help clients reduce costs and enhance security and workflow management while reducing their energy and paper use, waste, and carbon footprint. In 2015, 58% of HP Managed Print Services office print technology that ended its first service life was remarketed for a second customer. Remarketing preparation includes auditing, testing, and security data cleansing. All equipment deemed no longer functional is recycled in a responsible and legally compliant manner.

Benefits to our MPS customers include:

- Reductions in printing-related energy usage up to 40%[33]
- Decreases in imaging and printing costs of up to 30%[34]
- Reductions in paper waste of 25% or more

MPS also ensures responsible recycling of supplies and responsible return and recycling of hardware.

Read more about HP Managed Print Services, including several customer examples.

HP Instant Ink, our subscription service, helps ensure that HP customers never run out of this essential supply. With a cartridge return rate that is higher than the average for nonsubscription supplies, HP Instant Ink helps reduce waste and assists our customers to recycle responsibly. The switch to a service-based model provides incentives on both sides that result in economic benefits, including cost savings of up to 50% for customers, while at the same time driving more sustainable outcomes.
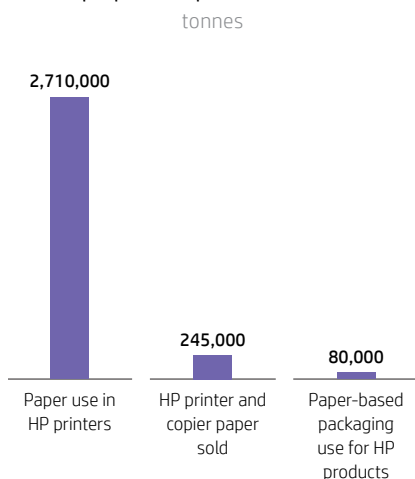
With more than 1 million subscribers in six countries,[35] HP Instant Ink helps customers remain productive by anticipating their needs. When a printer detects that it is running low on ink, it automatically orders new cartridges for direct delivery. Prepaid envelopes make it easier for customers to return used cartridges for recycling. In addition, through design features such as higher-capacity cartridges and less packaging, we have reduced customers' cartridge-related materials consumption by 67% per page printed.

HP Instant Ink was recently cited as an innovation supporting the shift toward a circular economy in a report from the Ellen MacArthur Foundation and World Economic Forum. The report highlights how HP is pioneering the "IT as a service" model in an industry that faces unique challenges related to component recovery and reverse logistics. HP Instant Ink is the only "print as a service" model offered to consumers.

Read about our service-based personal systems offerings.

Hewlett-Packard Company paper impacts, 2015
tonnes

2,710,000 — Paper use in HP printers

245,000 — HP printer and copier paper sold

80,000 — Paper-based packaging use for HP products

Paper

Paper use by customers represents 13–61% of the GHG emissions of an HP printer across its life cycle, depending on the printer's level of use. To help our customers print sustainably, we source the paper we sell responsibly, facilitate efficient paper use, and press the paper industry to adopt best practices as standard. We also apply these approaches in our own operations. Our company-wide Environmentally Preferable Paper Policy governs paper use at HP. It defines our principles for buying, selling, and using paper and paper-based packaging, and describes our commitment to sourcing from suppliers that demonstrate responsible forestry and manufacturing practices.

New goal combats deforestation

Healthy, well-managed forests play a crucial role in absorbing carbon dioxide and supporting biodiversity and local livelihoods. HP works with paper vendors to ensure leading practices in our supply chain, and influences the paper industry to adopt similarly responsible sourcing. We report annually to the CDP forests program regarding our paper-based products and packaging, demonstrating transparency and communicating our progress in this area.

In 2016, we set a zero-deforestation goal to ensure that all HP brand paper and paper-based product packaging[36] will be derived from certified and recycled sources by 2020.

To support its achievement, HP will only purchase recycled fiber or responsibly sourced virgin fiber that can be traced to the source forest. We will work with the WWF's Global Forest & Trade Network (GFTN) and our suppliers to ensure full traceability of virgin fiber and to increase the amount of certified fiber where possible. HP will maintain its preference for Forest Stewardship Council® (FSC®)-certified fiber. PEFC certification or relevant national certification schemes that comply with our paper policy can be used in regions where they are recognized, are endorsed by competent independent stakeholders, and ensure a reliable guarantee of responsible sources. Each year, HP will report progress to the WWF Global Forest & Trade Network (GFTN), by tonnage per product category for each certification.

Sourcing paper responsibly

Approximately 245,000 tonnes of printer and copier paper with the HP brand were sold in 2015. Overall, more than 50%, by tonnage, of paper products with the HP brand were FSC-certified, surpassing our goal. FSC is HP's preferred certification scheme for fiber-based products.

Sourcing certified fiber can be a challenge in some parts of the world. In partnership with our suppliers, the FSC®, and industry coalitions, we work to improve the availability of certified, sustainably sourced pulp in regions where FSC-certified timber products remain scarce. For example:

• As part of WWF's China Sustainable Paper Alliance, a coalition of 10 international companies, we promote trainings for our Chinese suppliers and licensees to help advance responsible sourcing and sustainable forest operations in that country.

• We are a member of GFTN, which engages companies and trade associations in responsible production and sourcing of forest products.

• Along with other GFTN participants, HP has committed to join FSC in its 2016 campaign to increase consumer awareness of forestry certification. This will empower our customers to make choices consistent with the responsible use of paper products.

Helping customers print responsibly

The paper that customers use in HP products represented about 11% of our carbon footprint and 16% of our water footprint in 2015. To reduce the environmental impact of printing, we encourage customers to:

- **Choose only responsibly sourced and certified paper:** We label all HP FSC-certified paper products to inform customers and enable informed purchase decisions.
- **Use paper efficiently:** We set auto-duplex printing as the default across some print fleets. Digital presses such as HP PageWide Web Presses are designed to optimize paper use. Innovations such as HP EcoFFICIENT Paper, which is 25% thinner than typical office paper, offer consumers more sustainable paper choices. We also support broader industry efforts in this area, such as the Sustainable Green Printing Partnership.
- **Recycle paper after use:** We improve the recyclability of our paper by developing solutions for paper de-inking, a key step in the recycling process. Effective separation of ink from paper fibers enables pulp to be recycled into graphic arts paper, rather than down-cycled into tissue or cardboard.

Optimizing our own paper use

Across HP operations, we select environmentally responsible commercial print and publishing vendors, implement paper reduction initiatives in our offices, and reduce the paper we ship "in the box" with our products.

Packaging

We apply the same passion for innovation to our packaging as we do to our products. By finding ways to use less material, optimize shipping densities, and utilize recycled and recyclable materials, we lessen the GHG emissions and raw materials use associated with packaging and product transportation. Our packaging innovations advance our customers' sustainability objectives, help reduce the environmental footprint of HP products, and support progress toward a circular economy.

Six principles of sustainable packaging

Packaging design is complex, requiring a balance between product protection, environmental impact, customer expectations, and cost. We apply six principles to our sustainable packaging activities:

- Ensure that substances of concern are not used in HP packaging
- Reduce packaging material use in each new product
- Design packaging for reuse, where feasible
- Increase the use of recycled content
- Replace hard-to-recycle materials
- Ensure the use of sustainable materials

These principles are underpinned by HP's General Specification for the Environment, which restricts the use of substances of concern such as polyvinyl chloride (PVC), and requires 100% of materials used in company packaging to be recyclable.[37] All HP packaging must also comply with our Environmentally Preferable Paper Policy. In 2016, we set a goal to meet our objective of zero deforestation. All HP brand paper and paper-based product packaging[38] will be derived from certified and recycled sources by 2020.

Collaboration

We work closely with our partners to reduce the environmental impact of our packaging. We work with vendors to increase the amount of recycled and sustainably harvested fiber, and we provide detailed guidelines on environmentally responsible packaging design. HP prefers suppliers that demonstrate strong environmental performance and a commitment to sourcing from responsibly managed forests. As members of the WWF-led Global Forest and Trade Network (GFTN), we are working to ensure full traceability of virgin fiber and to increase the amount of certified fiber where possible, with a preference for Forest Stewardship Council® (FSC®)-certified fiber. PEFC Chain of Custody certification or relevant national certification schemes that comply with our paper policy can also be used. We also participate in the IEEE 1680.1 Committee (EPEAT for PCs) to establish product and packaging-related environmental requirements for the selection and procurement of electronics products.

Progress in 2015

In 2015, packaging innovations for printing and personal systems products by Hewlett-Packard Company and its suppliers produced the following environmental and cost benefits:

- 12,700 tonnes of CO_2e avoided
- 5,700 tonnes of packaging material reduced, compared to previous-generation products
- 14,800 tonnes of recycled foam and wood packaging material used
- 257 tonnes of recycled cushion material used
- $9 million saved

The following examples illustrate the range of packaging innovations across our product portfolio. These are selected from more than 30 packaging improvement projects completed or initiated in 2015.

5,700

tonnes of packaging material reduced, compared to previous-generation products

Product packaging innovations and outcomes, 2015*

Packaging innovation	Reduce material	Optimize shipping densities	Utilize recycled materials	Summary of benefits
HP LaserJet: Reduced the size of the package for the HP LaserJet Pro M227 printer by 46% as a result of the product's reduced size	x	x		Avoided 240 tonnes of CO_2e emissions Eliminated need for 130 ocean shipping containers
HP LaserJet: Reduced the size of the package for the HP LaserJet Pro M326/M427 printer by 33%	x	x		Avoided 140 tonnes of CO_2e emissions Eliminated need for 50 ocean shipping containers
HP LaserJet supplies: Changed packaging for some LaserJet supplies to 100% recycled content thermo-formed cushions	x		x	Avoided 3,280 tonnes of CO_2e emissions over the life of the program Will avoid 420 tonnes of virgin plastic over the next five years Reduced packaging material weight by 21%
Desktops: Used 100% recycled materials in some new North American desktop product cushions			x	Diverted 7.5 tonnes of PE foam from landfill to make 69,000 cushions
Notebooks: Optimized foam cushion geometry to reduce weight for some Notebooks	x			Achieved a reduction of 60 tonnes of foam packaging material Avoided over 230 tonnes of CO_2e emissions

* Avoidance, reductions, and savings data are based on comparisons of current and prior generations of packaging, either for the same or comparable products. All savings and reductions occurred during the fabrication phase of the packaging life cycle. All savings are for fiscal year 2015 (November 2014–October 2015) unless otherwise indicated. Some estimates of benefits were calculated using production forecast data.

Ongoing programs

Several ongoing initiatives continued to deliver environmental and financial savings.

- **Recycled pallets**: In 2015, Hewlett-Packard Company continued to collaborate with North American suppliers on a recycled pallet program, avoiding the use of 665,000 new pallets and saving 30.7 million board feet of lumber since 2012.

- **Non-heat-treated pallets**: Pallets sourced internationally are often heat treated to reduce the risk of transferring insect species between locations. Hewlett-Packard Company sourced more than 480,000 pallets for North American shipments that use domestically grown timber, which do not need to be heat treated. This avoided 428 tonnes of CO_2e emissions in 2015.

- **Innovative materials**: We continue to investigate alternative cushion materials, such as mushroom-based and corn-based foam. In 2015, we piloted the use of bags made with AirCarbon™, a SCS Global Services-verified carbon-neutral material from Newlight technologies, made from sequestered CO_2 emissions.[39]

- **Recycled content**: HP continues to collaborate to design packaging solutions that use 100% recycled polyethylene foam.

Products and solutions

2020 goals

Reduce the GHG emissions intensity of HP's product portfolio by 25% by 2020, compared to 2010.[40]

All HP brand paper and paper-based product packaging[41] will be derived from certified and recycled sources by 2020 to meet our objective of zero deforestation.

Product return and recycling

The rapid pace of innovation in electronic products and growing impacts of a "take, make, dispose" production and consumption cycle are increasing the urgency of creating a circular economy, in which used products and materials are repurposed and kept in use as long as possible. Since the launch of our industry-leading Planet Partners return and recycling program 25 years ago, HP has driven this transformation within our industry. Since then, we have recovered 1,838,200 tonnes of computer hardware (for reuse and recycling) and HP supplies (for recycling). We incorporate sustainability into product design, and provide customers with maintenance and upgrade services to extend product life. Globally, we provide our customers with comprehensive, responsible reuse and recycling programs. HP also collaborates with governments and industry stakeholders to promote innovative solutions for managing e-waste.

Our priorities

Reuse hardware

• Remanufacture, refurbish, and remarket computer and printer equipment
• Work with third-party reuse vendors to ensure conformance with HP policies and vendor standards

Recycle hardware and supplies

• Break down products and recover materials
• Incorporate closed loop recycling and reuse materials in new HP products
• Work with third-party recycling vendors to ensure conformance with HP policies and vendor standards
• Collaborate with partners and governments to increase access to responsible recycling

Highlights of 2015

41,100
tonnes of hardware reused

114,100
tonnes of hardware and supplies recycled

25th
anniversary of HP Planet Partners

2016 marked the 25th anniversary of the HP Planet Partners program, which enables simple, convenient recycling programs for computer products and HP supplies. Since 1991, the program has used more than 80,000 tonnes of recycled plastic to manufacture new HP ink and toner cartridges. See Materials section for more detail.

Our take-back programs

HP offers take-back programs in 73 countries and territories worldwide. To further our efforts, we support the development of electronics recycling infrastructure around the globe.

The typical age of HP products when returned ranges between three and 10 years, so product condition upon receipt varies greatly. To ensure that items are processed appropriately, we collaborate with a global network of reuse and recycling vendors and commission third-party audits to monitor conformance with our high standards. In collaboration with our vendors, HP offers hardware reuse, hardware recycling, and HP ink and toner cartridge recycling programs through various channels, including HP Planet Partners. HP and its partners follow strict protocols to ensure that 100% of returned products go through data-cleansing processes to ensure customer privacy.

HP global take-back programs*

Program	Availability	Description
Hardware reuse** (trade-in, return for cash, leasing return, and donation***)	Available in 62 countries and territories	We resell refurbished computing and printing products at the end of leasing terms or as part of trade-in agreements. We follow strict processes set out in our hardware reuse standards to protect user data and meet environmental requirements.
Hardware recycling	Available in 64 countries and territories	We recycle returned products unsuitable for reuse. The European Recycling Platform, which we co-founded, provides take-back and recycling services to HP and other companies in Europe. In the United States, consumers can drop off hardware products for recycling at nearly 4,000 Staples and FedEx locations or they can use our Consumer Buyback Program to return IT equipment of any brand in exchange for money or purchase credits if the product has some value. If the equipment has no value, we responsibly recycle it. We also provide recycling services to commercial customers. See a list of recycling options by country.
HP ink and toner cartridge recycling	Available in 62 countries and territories	Consumers and commercial customers can return used HP ink and toner cartridges through HP Planet Partners to authorized collection sites, at one of more than 11,500 free drop-off locations around the world. For some products and in selected countries, we offer free pickup and mail-back options. Through our closed loop recycling process, HP ink and toner cartridges are reduced to raw materials, 79% and 76% respectively of which are recycled into new products. These can be used to make new cartridges, as well as other metal and plastic products. More than 80% of HP ink cartridges and 100% of HP toner cartridges contain recycled materials.**** In 2016, we started to recycle toner material collected via our recycling programs in North America and Australia. Through this innovative program, recycled toner will be used as colorant in the manufacture of consumer products and other uses. In 2017, HP will disclose results of this program.

* Information in this table is as of October 31, 2015.
** Availability of reuse offerings varies by location.
*** The relationship is directly between customer and charity. Available in the United States.
**** Includes recycled plastic as well as recycled metal content.

2015 performance

Our approach builds on a strong legacy of commitment to product return and recycling, begun by Hewlett-Packard Company in 1987. Through 2015, the company recovered 1,497,500 tonnes (3.301 billion pounds) of computer hardware and supplies for recycling, falling short of Hewlett-Packard Company's goal of recycling 3.5 billion pounds (1.6 million tonnes) by the end of 2015 (since 1987). From 2003 through 2015, Hewlett-Packard Company reused 43.8 million computer hardware units, exceeding the goal of 40 million.

In 2015, Hewlett-Packard Company recovered 155,200 tonnes of hardware (including products both from HP and from other manufacturers) and supplies, 1% less than in 2014. Of this amount, the company:

- Recovered 41,100 tonnes (4.88 million computer hardware units) for reuse and remarketing
- Recycled 114,100 tonnes

The overall reuse and recycling rate was 11% of relevant Hewlett-Packard Company hardware sales worldwide, compared to 12% in 2014.[1]

Increases in reuse volume were more than offset by reductions in recycling. This decrease was largely driven by lower sales, a reduction in the average weight per unit, and increased collection by private companies. In several EU countries, the amount gathered by private collection companies is approaching or exceeding that collected by producers like HP. While this trend increases overall recycling rates and benefits the environment, it decreases our recovery volumes.

Product return and recycling, 2011–2015*
(Hewlett-Packard Company)
1,000 tonnes

■ Recycling – supplies   ■ Recycling – computer hardware   ■ Total reuse of equipment**

* Totals include all hardware and supplies returned to Hewlett-Packard Company for processing, with ultimate dispositions including recycling, energy recovery, and, where no suitable alternatives exist, responsible disposal. Hardware recycling data from Europe, Middle East, and Africa and HP LaserJet cartridge recycling data are calendar year. The remaining data is based on the Hewlett-Packard Company fiscal year. Some segments do not add up to total due to rounding.

** The decrease in tonnage from 2011–2013 was due to a reduction in the average weight of returned units, rather than a decline in the total number of returned units. The subsequent increase from 2013–2014 relates to an increase in units returned.

See Data for more detail.

Vendor audits

HP requires the specialist vendors that support our reuse and recycling programs to use environmentally responsible processing techniques and to fully comply with all relevant regulations. We also require vendors to attain third-party certification (R2 and e-Stewards), where applicable. We contract the consultancy Environmental Resources Management (ERM) to audit our recycling vendors for conformance with the following HP policies and vendor standards:

- Export of Electronic Waste to Developing Countries Policy
- HP Supplier Code of Conduct
- Reuse and Recycling Standards

ERM's audits assess our vendors' environmental, health, and safety practices and performance. In addition, they check downstream material flows based on shipment and receipt records to certify no "leakage" of materials to facilities outside our approved vendor network. Nonconforming vendors have 30 days to submit a corrective action plan and 90 days to address those items. In extreme cases, we stop doing business with vendors who lack sufficient transparency or the willingness to make required changes.

2015 audits and findings

In 2015, through ERM, Hewlett-Packard Company audited 58 vendor facilities (25 reuse and 33 recycling) in 20 countries. This included repeat audits of 21 reuse vendors and 28 recycling vendors to evaluate their ongoing commitment to responsible practices and improved performance. Of the 58 vendors audited globally, ERM found 19 vendor facilities with major nonconformances – 7 from new audits and 12 from repeat audits. The two most common categories of major nonconformance were health and safety (24%) and environment (21%). Other issue areas included management systems, site security and controls, subvendor management and audits, data destruction, and approved dispositions of processed materials.

HP has confirmed closure of 64%[2] of the major nonconformances identified during the year, and will continue to work closely with vendors to help resolve the others in a timely manner. Sites with major nonconformances are required to undergo a full site re-audit in the following year.

Read a statement from ERM.

Responsible regulation of end-of-service electronics

HP engages with governments and stakeholders around the world to improve the movement and management of end-of-service electronic products. In particular, we are leading discussions on how regulations could be updated to reflect the increasing role of private companies in collecting and processing electronics products.

HP supports the objectives of the international Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal. In line with the objectives of this legislation, we avoid transporting hazardous waste to developing countries that do not have the resources or capacity to manage recycling and treatment of such wastes. At the same time, we support regulation that allows for the legitimate movement of used IT equipment for repair and reuse.

Data

Our footprint

Carbon footprint (Scopes 1–3, including from operations)*	2011	2012	2013	2014	2015
GHG emissions from operations** [tonnes CO_2e]	1,949,800	1,850,400	1,765,100	1,667,700	1,432,100
Americas	1,160,600	1,069,900	1,023,900	992,100	740,900
Europe, Middle East, and Africa	284,700	267,800	259,500	232,800	270,600
Asia Pacific and Japan	504,500	512,700	481,700	442,800	420,600
GHG emissions intensity** [tonnes CO_2e/$ million of net revenue]	15.3	15.4	15.7	15.0	13.9
GHG emissions by scope [tonnes CO_2e]					
Scope 1					
Scope 1 emissions, by region	309,900	247,400	208,300	210,800	188,300
Americas	184,600	145,400	123,000	129,200	117,000
Europe, Middle East, and Africa	102,100	83,600	73,800	72,200	65,700
Asia Pacific and Japan	23,200	18,400	11,500	9,400	5,600
Scope 1 emissions, by type					
Natural gas	77,100	64,500	63,300	62,900	54,700
Americas	45,400	37,300	36,100	37,100	31,400
Europe, Middle East, and Africa	30,300	25,600	25,500	24,000	22,100
Asia Pacific and Japan	1,400	1,600	1,700	1,800	1,200
Diesel/gas/oil****	7,300	8,700	7,200	4,500	3,200
Americas	1,400	2,500	2,500	2,800	1,800
Europe, Middle East, and Africa	900	600	1,200	400	500
Asia Pacific and Japan	5,000	5,600	3,500	1,300	900
Transportation fleet†	142,800	133,100	112,200	115,100	110,900
Americas	77,200	78,900	69,600	73,200	70,000
Europe, Middle East, and Africa	61,700	51,100	41,500	40,800	39,700
Asia Pacific and Japan	3,900	3,100	1,100	1,100	1,200
Refrigerants (hydrofluorocarbons (HFCs))	75,200	37,500	21,300	24,400	16,600
Americas	53,100	23,100	10,500	12,200	10,900
Europe, Middle East, and Africa	9,200	6,300	5,600	7,000	3,400
Asia Pacific and Japan	12,900	8,100	5,200	5,200	2,300
Perfluorocarbons (PFCs)††	7,500	3,600	4,300	3,900	2,900
Americas	7,500	3,600	4,300	3,900	2,900
Europe, Middle East, and Africa	0	0	0	0	0
Asia Pacific and Japan	0	0	0	0	0
Scope 2 (Market-Based Method)†††					
Scope 2 emissions, by region	1,639,900	1,603,000	1,556,800	1,456,900	1,243,800
Americas	976,000	924,500	900,900	862,900	623,900
Europe, Middle East, and Africa	182,600	184,200	185,700	160,600	204,900
Asia Pacific and Japan	481,300	494,300	470,200	433,400	415,000

Carbon footprint (Scopes 1–3, including from operations)*	2011	2012	2013	2014	2015
Scope 2 emissions, by type	1,639,900	1,603,000	1,556,800	1,456,900	1,243,800
Purchased electricity for operations††††	1,633,400	1,598,400	1,552,800	1,453,600	1,240,800
Americas	976,000	924,500	900,900	862,900	623,900
Europe, Middle East, and Africa	182,400	184,000	185,500	160,400	204,700
Asia Pacific and Japan	475,000	489,900	466,400	430,300	412,200
District cooling and heating (purchased) for operations	6,500	4,600	4,000	3,300	3,000
Americas	0	0	0	0	0
Europe, Middle East, and Africa	200	200	200	200	200
Asia Pacific and Japan	6,300	4,400	3,800	3,100	2,800
Avoided emissions from voluntary purchases of renewable energy and renewable energy credits^	-224,600	-242,100	-239,700	-257,300	
Americas	-79,900	-96,000	-89,900	-100,700	
Europe, Middle East, and Africa	-144,700	-146,100	-149,800	-156,600	
Asia Pacific and Japan	0	0	0	0	
Avoided emissions from voluntary upgrades to other no/low-carbon energy sources (such as large hydro)^	-52,100	-54,700	-52,500	-46,300	
Americas	0	0	0	0	
Europe, Middle East, and Africa	-52,100	-54,700	-52,500	-46,300	
Asia Pacific and Japan	0	0	0	0	
Scope 2 (Location-Based Method)^^					
Scope 2 emissions, by region					1,656,200
Americas					886,900
Europe, Middle East, and Africa					354,300
Asia Pacific and Japan					415,000
Scope 2 emissions, by type					1,656,200
Purchased electricity for operations					1,653,200
Americas					886,900
Europe, Middle East, and Africa					354,100
Asia Pacific and Japan					412,200
District cooling and heating (purchased) for operations					3,000
Americas					0
Europe, Middle East, and Africa					200
Asia Pacific and Japan					2,800
Scope 3			52,360,000	47,400,000	44,000,000
Materials extraction through manufacturing (category 1; also see Greenhouse gas emissions on page 20)			17,800,000	17,600,000	16,600,000
Capital goods (category 2)			500,000	500,000	400,000
Upstream energy production (category 3)^^^			300,000	300,000	300,000
Transport (categories 4 and 9; also see Product transportation suppliers on page 22)^^^^			1,900,000	1,700,000	1,500,000
Waste generated in operations (category 5)			De minimis^^^^^	De minimis	De minimis
Commercial air travel (category 6)‡			260,000	200,000	200,000
Employee commuting (category 7)			900,000	800,000	900,000
Upstream leased assets (category 8)			0‡‡	0	0

Carbon footprint (Scopes 1–3, including from operations)*	2011	2012	2013	2014	2015
Processing of sold products (category 10)			De minimis	De minimis	De minimis
Product use (category 11)‡‡‡, ‡‡‡‡			30,700,000	28,200,000	24,100,000
Product end of service (category 12)			De minimis	De minimis	De minimis
Buildings leased to others (category 13)			De minimis	De minimis	De minimis
Franchises (category 14)			Not applicable	Not applicable	Not applicable
Investments (category 15)			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. For 2015, the company used the IPCC 5th Assessment for converting CH_4 and N_2O to CO_2e. Additional details on calculations and methodology can be found in the HP carbon accounting manual.

** Total includes Hewlett-Packard Company's reported values for Scope 1 and Scope 2 market-based method emissions in table.

*** Historical emissions-intensity values were calculated using Hewlett-Packard Company'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_2e emissions associated with CH_4 and N_2O were calculated and reported for the first time in 2014. These emissions account for less than 1% of total CO_2e emissions in this category.

†† This data is based on the calendar year.

††† Data in this section for 2015 use the market-based method. For that year, the company did not obtain supplier-specific emission rates other than the emission rate for the Palo Alto, California, site due to the availability and feasibility of acquiring the data. Data for 2011–2014 reflect a similar approach, using location-based method totals and subtracting the GHG emissions impact from renewables and no/low-carbon energy.

†††† Previously published data for 2011–2014 have been adjusted to incorporate the avoided emissions from voluntary purchases of renewable energy, renewable energy credits, and no/low-carbon energy so that the totals more closely align with the new market-based method.

^ Data are not included for 2015, because these data are not relevant to the market-based method. Totals are reflected in the totals for "Purchased electricity for operations" above.

^^ Data calculated using the location-based method are not included for 2011–2014, because HP used a variation on the market-based method to calculate Scope 2 GHG emissions for those years. See note †††.

^^^ Scope 2 GHG emissions used to calculate this category for 2015 were determined using the location-based method.

^^^^ These figures are based on product life cycle assessment-based estimates. They use a combination of Hewlett-Packard Company-specific and industry data, and include additional upstream and downstream transport related to our products, as well as retail and storage. These data may differ from data reported by product transportation suppliers that HP contracts to deliver our products, as presented on pages 22 and 68.

^^^^^ 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 and cargo load, cabin class, and miles traveled for each ticketed trip.

‡‡ All facilities accounted for in Scope 1 and 2.

‡‡‡ Total GHG emissions from product use differ by less than 1% from values reported on page 70, due to rounding.

‡‡‡‡ Hewlett-Packard Company improved the accuracy of carbon footprint calculations in 2015 related to printers by incorporating new customer use data on observed duplex rates into our methodology. Relevant data for 2014 were restated to reflect this change.

Water footprint	2013	2014	2015
Hewlett-Packard Company water footprint [cubic meters]	364,778,000	335,216,000	296,140,000
Water consumed by Hewlett-Packard Company suppliers in their operations*	23,214,000	23,296,000	21,664,000
Water consumption associated with the generation of electricity used by Hewlett-Packard Company suppliers	60,342,000	60,811,000	57,019,000
Water consumption in Hewlett-Packard Company operations	7,684,000	7,431,000	7,226,000
Water consumption associated with the generation of electricity used in Hewlett-Packard Company operations	16,149,000	15,391,000	15,025,000
Water consumption associated with the generation of electricity used by HP products	213,691,000	176,960,000	148,451,000
Water consumption associated with the manufacturing of paper used by Hewlett-Packard Company customers with HP products**	43,698,000	51,327,000	46,755,000

* This metric reports the amount of water consumed by Hewlett-Packard Company's multi-tier supply chain, and not the amount withdrawn by first-tier suppliers as reported in Supply chain environmental impact on page 25. Because water withdrawn can also be returned, water consumption is inherently lower.

** Hewlett-Packard Company improved the accuracy of water footprint calculations in 2015 related to printers by incorporating new customer use data on observed duplex rates into our methodology. Relevant data for 2014 were restated to reflect this change.

Supply chain environmental impact

	2011	2012	2013	2014	2015
Reduction in first-tier manufacturing and product transportation-related GHG emissions intensity* [tonnes CO_2e/$ million of Hewlett-Packard Company net revenue, 2010 = 100%]	92%	88%	80%	80%	
Production supplier GHG emissions*					
Scope 1 and Scope 2 emissions [tonnes COe]	4,100,000	3,700,000	3,200,000***	3,600,000	
Scope 3 emissions**** [tonnes CO_2e]	6,400,000	12,200,000	22,500,000	19,800,000	
Production suppliers with GHG emissions reduction-related goals [% of spend]		89%	69%	94%	
Product transportation supplier GHG emissions† [tonnes CO_2e]					
Total	1,900,000	1,700,000	1,600,000	1,700,000	1,600,000
Road (includes rail)	400,000	500,000	400,000	400,000	400,000
Ocean	200,000	300,000	400,000	400,000	300,000
Air	1,300,000	900,000	800,000	900,000	900,000
Nonproduction supplier Scope 1 and Scope 2 emissions†† [tonnes CO_2e]		1,200,000	1,300,000	700,000	
Production supplier nonhazardous waste generation††† [tonnes]		179,000	163,000	213,000	
Production supplier hazardous waste generation††† [tonnes]		60,000	74,000	85,000	
Production suppliers with waste-related goals [% of spend]		44%	59%	59%	
Production supplier water withdrawal for use†††† [cubic meters]	73,000,000	44,000,000	46,000,000	52,000,000	
Production suppliers with water withdrawal-related goals [% of spend]	38%	41%	59%	71%	

* Intensity is calculated as suppliers' reported GHG emissions divided by Hewlett-Packard Company's annual revenue. This method normalizes performance based on business productivity. Intensity is reported as a three-year rolling average. Production supplier GHG emissions include Scope 1 and Scope 2. Data for 2011–2013 were restated due to updated reported emissions from a large supplier.

** Emissions are estimated based on suppliers' emissions and their dollar volume of Hewlett-Packard Company business compared to their total revenue. The majority of these companies report on a calendar year basis. The year 2014 is the most recent for which data is available. Updated production supplier data for 2010–2013 includes revised estimated data from one of our suppliers and extrapolation to 100% of first-tier production suppliers. For each year reported, data collected represented 95% of supplier spend. The World Resources Institute defines Scope 1, 2, and 3 GHG emissions in its Greenhouse Gas Protocol; see www.ghgprotocol.org/calculation-tools/faq.

*** Data is revised from previous reporting.

**** Suppliers may not report all Scope 3 categories, although the number of categories reported by many suppliers has increased over the last few years. For this reason, and due to increased accuracy in reporting, we have seen substantial variance in the amounts reported over the last few years.

† The figures for product transportation supplier GHG emissions are based on data reported by product transportation suppliers that Hewlett-Packard Company contracted to deliver products. They may differ from the product life cycle assessment-based estimates presented on pages 16 and 66, which are based on a different calculation methodology, use a combination of Hewlett-Packard Company-specific and industry data, and include additional upstream and downstream transport related to the company's products, as well as retail and storage.

†† Emissions are estimated based on suppliers' emissions and their dollar volume of Hewlett-Packard Company business compared to their total revenue. Data are extrapolated to 100% of first-tier nonproduction suppliers. The majority of these companies report on a calendar year basis. For 2012, data collected represented 27% of supplier spend; for 2013, 24%; for 2014, 31%. Due to the level of estimation and rounding involved in these calculations, we are unable to determine whether the differences between 2012, 2013, and 2014 reflect changes in actual supplier performance. We believe the decrease from 2013 to 2014 reflects more sophisticated reporting by some suppliers rather than a substantial reduction in emissions.

††† Waste data is estimated based on suppliers' waste data and their dollar volume of Hewlett-Packard Company business compared to their total revenue. The majority of these companies report on a calendar year basis. The year 2014 is the most recent for which data is available; 2012 is the earliest. Data for all years reflects extrapolation to 100% of first-tier production suppliers. In 2012, data collected represented 54% of supplier spend for nonhazardous waste and 64% for hazardous waste. In 2013, data collected represented 48% of supplier spend for nonhazardous waste and 48% for hazardous waste. In 2014, data collected represented 55% of supplier spend for nonhazardous waste and 55% for hazardous waste.

†††† 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 17. 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 Hewlett-Packard Company business compared to their total revenue. The majority of these companies report on a calendar year basis. The year 2014 is the most recent for which data is available. Data for all years reflects extrapolation to 100% of first-tier production suppliers. For 2011, data collected represented 38% of supplier spend; for 2012, 62%; for 2013, 50%; for 2014, 72%.

Operations*

	2011	2012	2013	2014	2015
Energy use [million kWh]	4,250	4,122	4,018	3,852	3,698
Energy intensity** [thousand kWh/$ million of net revenue]	33.4	34.2	35.8	34.6	35.8
Direct energy use in operations (corresponds to Scope 1 emissions)*** [million kWh]	448	380	371	367	320
Natural gas	423	354	348	345	300
Americas	249	205	199	204	172
Europe, Middle East, and Africa	166	141	140	132	121
Asia Pacific and Japan	8	9	9	10	7
Electricity (generated on-site)	24	25	23	22	20
Renewable (generated on-site)	3	3	3	7	8
Diesel/gas/oil/LPG ****	22	22	20	15	12
Indirect energy use (corresponds to Scope 2 emissions) [million kWh]	3,803	3,742	3,647	3,484	3,378
Electricity (purchased)	3,793	3,735	3,642	3,480	3,373
Americas	2,187	2,115	2,055	1,992	1,942
Europe, Middle East, and Africa	952	947	941	880	843
Asia Pacific and Japan	654	673	645	608	588
Voluntary purchases of renewable energy†	467	494	496	528	814
Voluntary purchases of no/low-carbon energy	125	131	125	111	93
District cooling and heating (purchased)	10	7	6	5	4
Americas	0	0	0	0	0
Europe, Middle East, and Africa	0	0	0	0	0
Asia Pacific and Japan	9	6	5	4	4
Nonhazardous waste [tonnes]	82,900	117,600	70,800	63,200	63,200
Americas	51,300	88,900	43,000	36,800	34,200
Europe, Middle East, and Africa	15,900	13,500	12,800	11,900	12,100
Asia Pacific and Japan	15,800	15,200	15,000	14,500	16,900
Nonhazardous waste landfill diversion rate [% of total produced]					
Global	82.1%	88.2%	87.0%	88.0%	87.2%
Americas	80.4%	88.9%	85.4%	85.8%	85.2%
Europe, Middle East, and Africa	87.4%	89.1%	93.0%	92.9%	90.6%
Asia Pacific and Japan	82.0%	83.3%	86.4%	89.6%	88.8%
Hazardous waste [tonnes]	7,400	8,060	7,920	6,470	6,850
Americas	3,030	2,760	2,020	2,560	1,990
Europe, Middle East, and Africa	2,560	3,040	3,560	1,910	1,740
Asia Pacific and Japan	1,810	2,270	2,340	2,000	3,120
Water consumption, by region [cubic meters]	8,517,000	8,542,000	7,665,000	7,431,000	7,226,000
Americas	4,836,000	4,643,000	4,011,000	3,789,000	3,627,000
Europe, Middle East, and Africa	1,245,000	1,291,000	1,113,000	982,000	901,000
Asia Pacific and Japan	2,436,000	2,608,000	2,540,000	2,660,000	2,698,000
Water consumption, by source†† [cubic meters]	8,517,000	8,542,000	7,665,000	7,431,000	7,226,000
Municipal water	7,811,000	7,742,000	6,786,000	6,507,000	6,401,000
Tanker water†††	0	0	124,000	137,000	121,000

	2011	2012	2013	2014	2015
Wastewater from another organization†††† (NeWater)	707,000	800,000	734,000	780,000	703,000
Well water	0	0	21,000	7,000	1,000
Reused treated sewage treatment plant water‡ [cubic meters]	0	0	98,000	93,000	48,000
Ozone depletion potential of estimated emissions‡‡ [kg of CFC-11 equivalent]	6,678	474	305	330	220
Americas	5,894	320	149	234	175
Europe, Middle East, and Africa	82	45	46	19	1
Asia Pacific and Japan	702	110	111	77	44

* Some segments do not add up to total due to rounding.

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

*** Fuel consumption from Hewlett-Packard Company'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.

†† Prior to 2013, well water and tanker water were included in the Municipal water category. Direct use of surface water and rainwater are insignificant and not included in data reported.

††† Well water that is delivered to the site by tanker truck.

†††† NeWater is ultrapurified wastewater used in manufacturing operations in Singapore.

‡ This water is used for landscaping and toilets.

‡‡ In 2012, we began to calculate ODS emissions by tracking sites that have reported replacing refrigerants due to leakage. We apply an intensity factor based on those actual quantities for nonreporting sites. Previously, we estimated the level of leakage across the entire real estate portfolio based on the inventory of refrigerants in equipment and in storage.

Products and solutions

	2011	2012	2013	2014	2015
Recycled plastic used in HP toner and ink cartridges, cumulative [tonnes]	45,239	53,755	62,163	71,749	80,468
Ink	26,588	32,304	37,512	43,798	50,080
Toner	18,651	21,451	24,651	27,951	30,388
Estimated materials use intensity for Hewlett-Packard Company high-volume personal systems and printers* [tonnes/$ millions of net revenue]					
Personal systems				9.4	7.7
Metal				4.5	3.6
Plastic				1.9	1.5
Wires/cables				0.8	0.6
PCAs				0.7	0.6
LCDs				1.4	1.2
Batteries				0.3	0.2
Printers				45	48
Metal				14.7	15.4
Plastic				28.0	30.9
Wires/cables				0.4	0.4
PCAs				1.7	1.7
LCDs				0.0	0.0
Batteries				0.0	0.0
GHG emissions from product use** [tonnes CO_2e]				28,100,000	24,000,000
Personal Systems				11,600,000	9,100,000
Printers (energy)				3,700,000	3,600,000
Printers (paper and ink/toner cartridges)***				6,700,000	6,400,000
Servers				6,100,000	4,900,000

	2011	2012	2013	2014	2015
Water consumption related to product use**** [cubic meters]				228,287,000	194,075,000
Personal Systems				95,486,000	76,380,000
Printers (energy)				30,821,000	29,394,000
Printers (paper)†				51,327,000	46,755,000
Servers				50,653,000	41,546,000

* Personal systems data are based on individual products that are representative of the Hewlett-Packard Company product portfolio for those years. 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 is based on calendar year. Net revenue data is based on HP's fiscal year. In some cases, segments do not add up to total due to rounding.

** Total GHG emissions from product use differ by less than 1% from the values reported on pages 16 and 67, due to rounding.

*** Hewlett-Packard Company improved the accuracy of carbon footprint calculations in 2015 related to printers by incorporating new customer use data on observed duplex rates into our methodology. Relevant data for 2014 were restated to reflect this change.

**** Total water consumption related to product use differs by less than 1% from the values reported on pages 18 and 67, due to rounding.

† Hewlett-Packard Company improved the accuracy of water footprint calculations in 2015 related to printers by incorporating new customer use data on observed duplex rates into our methodology. Relevant data for 2014 were restated to reflect this change.

Product return and recycling*

	2011	2012	2013	2014	2015
Total cumulative recycling—computer hardware and supplies combined [tonnes]	1,018,400	1,152,000	1,265,000	1,383,400	1,497,500
Total cumulative recycling—computer hardware and supplies combined [million pounds]	2,245	2,540	2,789	3,050	3,301
Total reuse and recycling combined [tonnes]	160,600	159,600	134,500	157,500	155,200
Reuse of equipment**	26,700	26,000	21,400	39,100	41,100
Recycling—hardware and supplies	133,900	133,600	113,200	118,400	114,100
Number of returned units of electronic equipment for reuse [millions]	3.4	3.9	3.7	4.2	4.9
Number of countries and territories with Hewlett-Packard Company return and recycling programs	60	69	70	73	73
Total recycling, by region [tonnes]	133,900	133,600	113,200	118,400	114,100
Americas	49,600	60,165	55,200	56,700	53,700
Europe, Middle East, and Africa	77,100	67,700	50,600	53,100	51,000
Asia Pacific and Japan	7,200	5,685	7,400	8,600	9,300
Total recycling, by type [tonnes]	133,900	133,600	113,200	118,400	114,100
Hardware	113,700	114,500	95,000	100,000	96,300
HP toner cartridges***	18,550	17,350	16,200	16,400	16,100
HP ink cartridges***	1,700	1,745	2,040	1,990	1,680
HP toner cartridge recycling					
HP LaserJet market covered by program [%]	94%	94%	90%	91%	91%
Composition [%]					
Materials recycled into new products****	82.1%	80.1%	78.8%	74.6%	76.4%
Materials used for energy recovery	13.9%	15.9%	17.3%	22.4%	21.0%
Reuse of components	4.0%	4.0%	4.0%	3.0%	2.6%
Material in storage—pending processing	0.0%	0.0%	0.0%	0.0%	0.0%
Incineration	0.0%	0.0%	0.0%	0.0%	0.0%
Landfill	0.0%	0.0%	0.0%	0.0%	0.0%

	2011	2012	2013	2014	2015
HP ink cartridge recycling					
HP ink market covered by program [%]	88%	88%	88%	90%	88%
Composition [%]					
Materials recovered for recycling	74.2%	69.1%	70.9%	70.4%	78.6%
Materials used for energy recovery	21.6%	29.3%	27.6%	28.9%	20.5%
Reuse of components	0.0%	0.0%	0.0%	0.0%	0.0%
Material in storage—pending processing	0.2%	0.0%	0.0%	0.4%	0.7%
Incineration	4.0%	1.5%	1.5%	0.3%	0.2%
Landfill	0.0%	0.0%	0.0%	0.0%	0.0%

* Totals include all hardware and supplies returned to Hewlett-Packard Company for processing, with ultimate dispositions including recycling, energy recovery, and, where no suitable alternatives exist, responsible disposal. Hardware recycling data from Europe, Middle East, and Africa, and HP toner cartridge recycling data are calendar year. The remaining data is based on the Hewlett-Packard Company fiscal year. Although for HP supplies 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. Some segments do not add up to total due to rounding.

** The decrease in tonnage from 2011–2013 was due to a decreasing average weight of returned units, rather than a decline in the total number of returned units. The weight of reuse volume reported nearly doubled between 2013 and 2014, due to an increase in the number of units returned and a refinement to the calculation methodology used to estimate total weight.

*** Includes cartridges returned by customers only. The reduction in ink cartridge recycling from 2014 to 2015 is partly due to lower sales volumes.

**** The decrease in toner cartridge materials recycled into new products between 2013 and 2014 is mainly due to improvements in data collection by our contractor.

Society

Through the development of more sustainable technology, HP creates opportunities for everyone, everywhere. Throughout our supply chain, we empower workers and ensure protections for the people who make our products. We demonstrate a deep commitment to our employees, who are central to our company's success.

Supply chain responsibility

To meet rapidly evolving business needs and consumer preferences, HP's business relies on one of the most dynamic and extensive supply chains in the information technology (IT) industry, spanning six continents, hundreds of production suppliers, and tens of thousands of nonproduction[1] suppliers. From tablets and PCs to inkjet printers and web presses, each unique product in our technology portfolio requires a vast range of supplier capabilities. We provide economic opportunities for a diverse group of suppliers worldwide, and use our global reach to drive lasting improvements for everyone, everywhere.

Improving workers' lives is our ultimate objective, and we strive to raise social and environmental responsibility (SER) standards across our industry by sharing the experience we gain and challenges we face along the way. Our Supply Chain Responsibility Program aims to empower workers and ensure that human rights are respected throughout our supply chain. Together with our suppliers, we collaborate to improve working conditions, enhance environmental performance, and source minerals responsibly. Our program also contributes to sustainable growth and innovation, while helping HP meet or exceed customer expectations and regulatory requirements.

Our principles

We believe every person deserves to be treated with dignity and respect.
We insist that workers in our supply chain have fair treatment, safe working conditions, and freely chosen employment.

Our commitment extends beyond the factory floor.
We engage extensively with workers to promote wellness and enhance their skills, empowering them to become leaders in their communities.

We use our global reach to drive lasting improvements.
We are transparent about the challenges in our supply chain and we rally businesses and governments to build resilience and respect for human rights and the environment.

Highlights of 2015

96%
of workers at factories reporting monthly data received at least one day of rest every week

84%
of suppliers in the SER scorecard program showed effective or exceptional SER performance

92%
of smelters in the supply chain are conflict-free or on the way to becoming conflict-free*

78,000
factory workers reached during the year through training and empowerment programs

* Percentage of total 3TG facilities reported to Hewlett-Packard Company that were either Conflict-Free Smelter Program 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 April 2016).

We focus our efforts where we believe we can have the greatest impact. With direct suppliers, we invest in programs that empower and protect workers, improve factory conditions, and elevate management systems. We measure performance through tools such as the SER scorecard, the key performance indicator (KPI) program, and audits to monitor compliance with our expectations and identify opportunities for collaboration and improvement. We also recognize that there are risks deeper in our supply chain, extending all the way to the sourcing of minerals and raw materials used to make our products. Our conflict minerals program is designed to address these risks by collecting data, fostering transparency, and encouraging responsible sourcing.

Empowering and protecting workers

Political and economic pressures as well as demographic shifts in some sourcing countries have led to higher costs and growing labor shortages, putting pressure on workers and companies. HP is committed to protecting all workers in our supply chain and recognizes that certain groups need additional protection. We pay particular attention to worker groups that are vulnerable to potential neglect or mistreatment, such as foreign migrant workers, students, and women.

Women and families

Women make up a significant portion of our suppliers' workforce, and we invest in programs that support women and families. Extensive research demonstrates that when women are healthy, educated, and can participate in the economy, there are positive ripple effects for children, families, and communities. We carry out targeted capability-building programs that focus on women's health, financial literacy, and work/life balance.

Hewlett-Packard Company provided peer-to-peer health training to 29 factories in partnership with BSR in China and Mexico, the Federation of Reproductive Health Associations and the Penang Family Health Development Association in Malaysia, and the Thailand Business Coalition on Aids in Thailand. These collaborative efforts helped empower more than 46,000 female workers to take ownership of and make decisions about their health.

HERfinance, also a BSR program, has strengthened the financial capabilities of 1,286 workers at Flex, an HP supplier in Brazil. Through a pilot program, workers received training on topics such as responsible spending, reducing debt, and financial planning. The classes demonstrated positive results, showing a 26% increase in the number of workers who felt comfortable meeting their families' expected expenses over the next two years, a 42% increase in workers who felt prepared to handle unexpected costs in the next two years, and a six-fold increase in the number of participants able to correctly identify basic financial terminology.

Three children of workers participating in Beautiful Big Foot parent-child camp in Guangzhou, China

In Guangzhou, China, Hewlett-Packard Company worked with Inno Community Development Organization to carry out Beautiful Big Foot, an annual parent-child camp that fosters communication and understanding between migrant children and their working parents. This camp is part of a greater migrant children project that also provided on-site parenting courses and counseling at two supplier factories, and launched a hotline for parents and children to receive timely psychological or crisis management support. More than 95% of the 850 parents who participated in the program strongly agreed that the activities and discussions helped them better understand how to communicate with and educate their children while balancing a job far away.

Young, dispatch, and student workers

Suppliers in some countries facing labor shortages have turned to alternative sources including young workers (16- and 17-year olds where legally permitted), contracted dispatch workers, and students. The HP Supplier Code of Conduct and Student and Dispatch Worker Standard for Supplier Facilities in the People's Republic of China lay out our expectations and requirements for employing and managing these groups.

We monitor student, dispatch, and young worker information through KPI metrics (see Monthly performance tracking) reported monthly by suppliers in the program. In 2015, all high-risk supplier sites identified as employing student workers were evaluated for student worker management systems, either through a detailed on-site student worker assessment (89% of the sites) or a comprehensive audit (the remaining 11%). Suppliers have resolved 94% of nonconformances found in the assessments related to nighttime and overtime work—with the remaining cases under corrective action in close collaboration with our procurement teams.

A partnership with the nonprofit Center for Child Rights and Corporate Social Responsibility (CCR CSR) helped develop and implement innovative training sessions addressing the challenges faced by young workers, their families, and supplier line management. Line managers play a pivotal role in encouraging and motivating young workers to deliver their best work and grow professionally. Out of 738 managers who underwent the CCR CSR "WeSupport" management training, 90% pledged to change the way they communicate with young workers by rewarding good work and reducing negative or condescending language. In parallel, the program uses popular social media platforms such as WeChat to engage the younger generation in important work/life skills such as conflict resolution, communication, and team building.

In 2013, the HP Student and Dispatch Worker Standard for Supplier Facilities in the People's Republic of China was established as the first such standard in our industry. It is designed to ensure that suppliers meet local regulations requiring that all work be voluntary, in a field that furthers the students' education, and goes beyond those regulations to require less than 20% employment of student workers for HP production.

In 2015, Hewlett-Packard Company partnered with the Labour Education and Service Network (LESN) to help two suppliers in Chongqing, China, improve their management systems and protect the rights of student workers. Over the course of a year, the suppliers received training using the Electronic Industry Citizenship Coalition (EICC) best practices toolkit, which Hewlett-Packard Company helped develop, and made significant progress by improving recruitment procedures and providing medical examinations, social insurance, and equal and direct payment for student workers. This training also expanded suppliers' understanding of the Student and Dispatch Worker Standard. Over the course of five months, the proportion of student workers at one of the supplier's sites was reduced from 29% to 9%.

The partnership with LESN also brought predeparture training to more than 42,000 recent graduate and student workers in 2015, and more than 222,000 since 2011. This program informs interns and recent graduates of their labor rights prior to entering the workforce. Similarly, training occurs at the supplier site to create a mutual understanding of student worker standards and policies.

1st

in the IT industry to require direct employment of foreign migrant workers

Foreign migrant workers

Foreign migrant workers are particularly vulnerable to exploitative labor practices and at risk for forced labor. In 2014, Hewlett-Packard Company was the first IT company to develop its own Foreign Migrant Worker Standard, which sets requirements for the recruitment, selection, hiring, and management of foreign migrant workers by or on behalf of suppliers doing business with us. The standard requires direct employment of foreign migrant workers, protects workers from passport and personal documentation retention by management, and prohibits worker-paid recruitment fees.

To enforce our Foreign Migrant Worker Standard, HP launched an assessment program in late 2015. The program identified 16 suppliers in high-risk countries that will have assessments completed by the end of 2016. Suppliers in medium-risk countries will undergo assessments by the end of 2017. In preparation for conducting the assessments, Hewlett-Packard Company auditors and program managers participated in a training with Verité, a leading NGO that collaborated closely with the company to develop the standard, and to understand and address key components of conducting a focused migrant worker assessment.

These assessments are intended to delve deeper into the management systems and practices of suppliers, providing a better understanding of persistent issues that we can target through trainings and capability building. With more stringent requirements, Hewlett-Packard Company expected that initial assessment results would show nonconformances, and was prepared to ensure appropriate corrective actions where necessary. In 2015, the company found two zero-tolerance items in foreign migrant worker assessments, one related to the withholding of school diplomas and another requiring migrant workers to pay deposits to retrieve their identification papers. These actions are unacceptable under our policy and the supplier was promptly required to return identification papers and school diplomas to workers and submit a plan that proved understanding and conformance with the standard.

The Foreign Migrant Worker Standard was also integrated into the Supplier Assessment Questionnaire for nonproduction suppliers with risk exposure due to geography or supplier type. In 2015, the company expanded nonproduction supplier engagement to 32 branded merchandise factories across 10 high-risk countries. Through our engagement with these suppliers, we identified foreign migrant worker issues in Malaysia which were corrected. In 2016, we will continue to improve our due diligence around foreign migrant workers in the indirect supply chain. Many indirect suppliers are small, family-owned units which operate with different business cultures. We are collaborating with these suppliers to mitigate risks while not interrupting business continuity.

In early 2015, Hewlett-Packard Company's global manager for supply chain responsibility presented on the company's foreign migrant worker program at the White House Forum on Combating Human Trafficking in Supply Chains in Washington, DC. The panel, which also included EICC's executive director, highlighted the company's solutions-oriented leadership in this area. See Human rights for additional information on HP's approach to preventing human trafficking.

Preventing forced labor in Malaysia

Manufacturers in Malaysia rely heavily on foreign migrant workers to meet production labor needs. Many workers find employment at suppliers through labor agents, who have historically charged excessive fees—often through payroll deductions—that create risks for bonded labor in our supply chain.

In April 2015, Hewlett-Packard Company hosted three Foreign Migrant Worker management training sessions for suppliers in Malaysia together with Intel, Seagate, Western Digital, and the Malaysian Ministry of Home Affairs. The workshops in Johor, Kuala Lumpur, and Penang provided training on IT companies' brand requirements and best practices on labor standards and foreign migrant worker management for 90 suppliers, 38 labor agents, and several hostel management companies. These training sessions are part of the implementation phase of our Foreign Migrant Worker Standard. We want to ensure that our suppliers not only understand our expectations but increase their capacity to meet them.

Improving supplier performance

As HP moves into new markets, we on-board new suppliers, ensuring that they understand and meet prescribed performance levels prior to doing business. Hewlett-Packard Company assessed 19 new suppliers in 2015, integrating SER standards and working with them to continually improve performance from the start of the business relationship.

Our extensive engagement with suppliers continues via audits, targeted assessments, and monthly KPI tracking. Results from these engagements allow our program to identify and prioritize existing and emerging issues in the supply chain. HP then addresses risk and drives supplier improvement through targeted capability building, remediation, and industry collaboration. We evaluate how well our suppliers perform on social and environmental metrics using the SER scorecard.

Higher supplier engagement leads to stronger social and environmental performance. Previous audit data shows that the longer suppliers participate in an auditing program, the better they perform (see graph). Likewise, suppliers with high levels of involvement—such as participation in capability-building programs—tend to have stronger SER performance.

SER scorecard

The HP SER scorecard measures supplier performance on a range of SER factors that includes audit scores, product and material compliance, environmental management, mineral sourcing, and labor management. In 2015, the SER scorecard was expanded to cover all strategic commodity groups in addition to of the previously encompassed final assembly and key commodity suppliers. The company also refined the scorecard criteria to clearly communicate elevated expectations and to drive further improvement as suppliers' capabilities develop.

Supplier SER audit performance trend relative to years in program
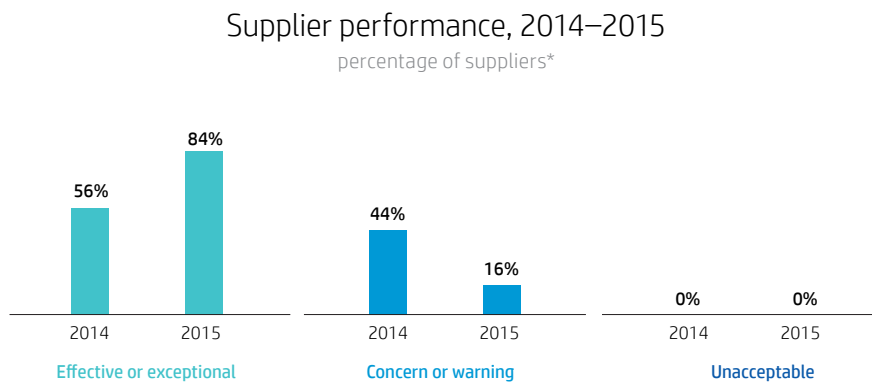for audits conducted 2014–2015

Audit score

Excellent

Poor

0   1   2   3   4   5

Number of years in SER audit program
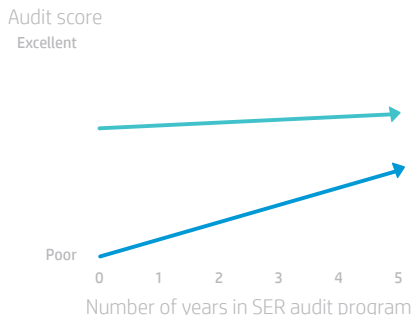
■ Average audit score
■ Lowest audit score observed

⬆**15%**

increase in average audit score for suppliers completing at least one HP capability-building program*

* Increase is compared to suppliers not completing any HP capability-building programs. Data covers average audit scores (initial and full re-audits) of production suppliers, 2013–2015.

Our deepened engagement with commodity suppliers and more fully embedded score-card in the procurement supplier performance management process has yielded positive results. On average, commodity supplier scores improved by 18% after a full year in the SER scorecard program, reflecting the company's efforts to enhance labor conditions, support human rights, and improve environmental performance at production facilities. The table below shows improvement in supplier performance since 2014, with 84% of suppliers receiving exceptional or effective ratings on the SER scorecard in 2015, up from 56% the prior year.

Supplier performance, 2014–2015
percentage of suppliers*

56%	84%		
2014	2015		
Effective or exceptional			
44%	16%		
2014	2015		
Concern or warning			
0%	0%		
2014	2015		
Unacceptable			

* Scorecard includes final assembly suppliers and suppliers of strategic commodities.

Strong SER performance benefits suppliers' business by increasing worker productivity, engagement, and retention. Additionally, vendors with better management practices can deliver higher-quality products and reduce costs, which in turn creates savings for HP. SER performance also generates new revenue opportunities and supports relationships with existing and potential investors. Customers frequently ask for information about our Supply Chain Responsibility Program in tendering negotiations, and factor our responses into appraisal of bids and significant new business contracts. In 2015, more than $2.5 billion of existing and potential business was linked to supply chain responsibility.

Monthly performance tracking

Launched in 2009, the KPI program fosters accountability and action in our business by maintaining focus on the important and recurring issues in supplier factories. It requires high-risk suppliers to report weekly KPI results which we share with company procurement managers monthly and senior executives quarterly. We track 46 indicators, and escalate detected issues to top management for quick problem solving. In 2015, the KPI program expanded to include more suppliers and incorporate foreign migrant worker metrics.

96%

of workers related to HP
production received at least
one day of rest every week
in 2015

Working hours and day of rest

The HP Supplier Code of Conduct states that weekly working hours must not exceed 60 hours including overtime, except in the case of an emergency or unusual situation. Yet the risk of excessive working hours remains high—particularly in China, where there is an increasing labor shortage and IT industry production is concentrated. Excessive working hours remained a top audit finding in 2015, and we continue to work with our suppliers and industry partners to achieve lasting improvements in this area. KPI results show that in 2015, 88% of workers related to HP production were in conformance with working hours requirements, an improvement from 84% in 2014. We also require that all suppliers grant their workers one day of rest in every 7-day period. On average, 96% conformed to day of rest requirements during the year.

Temporary workforce

HP encourages suppliers to hire full-time direct labor to meet ongoing capacity requirements because temporary workers are often more vulnerable to exploitation. HP's guidelines specify that less than 10% of total workers at a supplier facility should be temporary. Supplier conformance with the company's expectations about temporary workforce increased from 64% in 2014 to 78% in 2015.

Student workers

The People's Republic of China has a legal requirement that student workers can only work in the context of an internship and with the purpose of advancing their studies. The HP Student and Dispatch Worker Standard reiterates these standards and goes further, requiring no more than 20% direct labor of student workers for HP production in China. In 2015, 91% of participating sites maintained student worker levels at no more than 20% of the total workforce related to HP production. See Young, dispatch, and student workers for more information.

Ensuring a healthy and safe workplace

Workers and managers at a supplier site in Zhuhai, China, strategize evacuation plans for their TenSquared health and safety challenge.

Workers have the right to a healthy and safe workplace. HP analyzes information from our supplier monitoring program, worker and stakeholder engagement efforts, and other external sources to identify and prevent health and safety risks. In 2015, Hewlett-Packard Company increased the number of health and safety assessments to 42, nearly twice as many as in 2014.

In 2015, Hewlett-Packard Company and Social Accountability International (SAI), an international NGO focused on social responsibility standards, launched TenSquared for the first time in China, at two supplier factories. TenSquared is a workshop that increases dialogue between workers and managers and enables them to collaborate and solve a site-specific health and safety challenge over a 100-day period. One of the suppliers in the program achieved its goal of decreasing evacuation time from 12 minutes to 3 minutes, and the other supplier reached their goal of addressing 75% of identified ergonomics risks.

Emergency preparedness

Rigorous attention to emergency preparedness can prevent injury and loss of life as well as interruptions to production. We monitor conformance and spur improvements using our emergency preparedness assessment. In 2015, 40 assessments in China evaluated emergency preparedness management, evacuation routes, fire suppression equipment, and other risk factors. By the end of 2015, 78% of nonconformances uncovered in the assessments were addressed. Rates of emergency preparedness nonconformance at relevant factories in China fell from 69% in 2014 to 53% in 2015.

In early 2015, Hewlett-Packard Company provided training on prevention of combustible dust explosions and fire safety for 151 managers from 102 suppliers, including those working in metal fabrication several tiers deep in the supply chain. Participants also discussed best practices such as reducing dust through wet processing and ventilation in polishing areas.

Manufacturing process substances

Eliminating worker exposure to hazardous substances in manufacturing has been a company priority for many years. The HP Supplier Code of Conduct and auditing program require suppliers to employ proper management systems to evaluate substances, eliminate or manage hazardous substances, and provide workers appropriate personal protective equipment and training.

In 2015, Hewlett-Packard Company published a list of manufacturing process substance restrictions for suppliers, reflected in the HP General Specification for the Environment. We work closely with our suppliers to ensure that new restrictions are followed and suitable alternatives are available through our alternative materials program. For more information, see Materials.

We take a science-based approach to assessing the potential human or environmental health impacts of manufacturing process substances and seek to shape the industry's approach in this area. For example, we participate in the EICC Chemicals Management task force to improve the identification, tracking, management, and elimination of harmful manufacturing process substances in the electronics supply chain. We plan to work with the EICC to update its Code of Conduct in 2016 to include specific guidelines on the responsible use of chemicals, including manufacturing process substances. See Raising industry standards.

HP also joined the Clean Electronics Production Network's Green America, a program where companies, NGOs, academics, and other stakeholders work to further improve practices, and eliminate exposure to hazardous process chemicals. The initiative will focus first on chemicals used in bonding and/or cleaning—two functions prevalent throughout electronics supply chains where workers are in close proximity to potentially hazardous substances.

↓29%

decrease in employee turnover for a supplier participating in work stress improvement program

Workers' health

Work-related stress affects any company in terms of individual well-being and productivity. From March 2014 to April 2015, Hewlett-Packard Company partnered with the Hong Kong Worker's Health Centre for a participatory work stress improvement program aiming to dissect and address the root causes of work-related stress. This program took place in a supplier facility in Dongguan, China, and included phases for data collection, intervention, and evaluation. Following the initiative, the supplier experienced a 29% decrease in employee turnover and a 33% reduction in sick days. Employees also reported a 10% increase in support from management and a 36% increase in feeling control over their work. This supplier will continue to foster a health and safety culture in their facilities by conducting worker stress prevention meetings held by workers, management, and other staff to discuss causes of stress in the workplace and how to address them.

Raising industry standards

Many of the issues we face are too large and complex to address alone. Because the electronics industry supply base is broadly shared, collaborating with others sends a powerful message to suppliers and creates efficiency and consistency through scale. HP will continue to build on a 12-year history of working closely with the EICC to advance standards in the industry.

We are committed to sharing our best practices publically to drive improvement across the entire IT industry. For example, we donated our Foreign Migrant Worker Standard Guidance Document to the EICC, and share it with companies seeking additional support on best practices in this area. We played an active role in the EICC Vulnerable Workers working group, which revised the EICC Code of Conduct to tighten restrictions on worker-paid recruitment fees and improve standards for managing student and dispatch workers. While these changes in industry standards show progress in combating forced labor, our standard extends further to require direct employment of workers. See Foreign migrant workers.

In 2016, HP was a founder of the Leadership Group for Responsible Recruitment, a multi stakeholder collaboration committed to eradicating worker fees in global supply chains in the next decade. Working together across industries is fundamental to combating exploitation, forced labor, and trafficking of migrant workers in supply chains, and represents an important step to achieving the UN Sustainable Development Goal to "promote inclusive and sustainable economic growth, employment and decent work for all." HP Inc. will continue to rally businesses and governments to raise standards relating to human rights and the environment.

We aim to advance our policies and systems by continuously reflecting on our management approach and identifying areas for growth and deeper engagement. Hewlett-Packard Company's supply chain responsibility management system has been assessed every two years by Social Accountability International's (SAI) Social Fingerprint benchmark. The most recent 2014 Social Fingerprint result of 3.8 placed Hewlett-Packard Company among the highest-scoring SAI corporate members. For more information about our management system, see the document Supply chain responsibility: Our approach, available online.

Audit results

We monitor suppliers' SER performance in various ways. While supplier audits alone do not deliver sustained SER improvement, they are an important tool. Audits provide the broadest measurement of conformance with the HP Supplier Code of Conduct and establish whether a supplier has systems in place to maintain and improve performance. In 2015, Hewlett-Packard Company conducted 192 audits and assessments of production and nonproduction supplier facilities, bringing the total to 1,499 since the program began in 2004. Moving forward, we will continue building on this record of comprehensive supplier auditing and engagement. More information about our supplier audits and how we identify "high-risk" supplier sites can be found in Supply chain responsibility: Our approach.

SER audits and assessments conducted per region, 2015
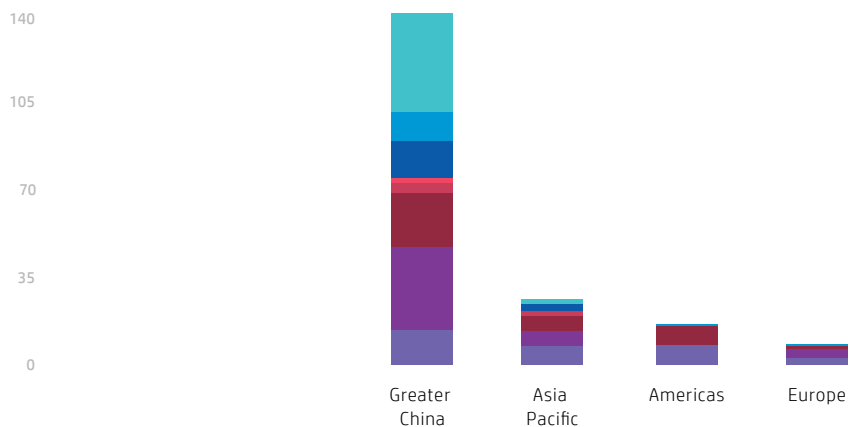
	Greater China	Asia Pacific	Americas	Europe
■ Health and safety assessments	40	2	0	0
■ On-boarding assessments	12	0	1	1
■ Vulnerable worker group (student and foreign worker) assessments	15	3	0	0
■ Allegation investigations	2	0	0	0
■ Environmental assessments	4	2	0	0
■ Full re-audits	22	6	8	1
■ Follow-up audits	33	6	0	4
■ Initial audits	14	7	7	2

In 2015, the company transitioned its audit results tracking system to the cloud-based EICC-ON platform. This will help us connect findings to trainings offered by the EICC Learning Academy and better align our capability-building efforts with the challenges facing IT industry suppliers. Hewlett-Packard Company participated in the EICC Validated Audit Program working group as well as in EICC efforts to improve supplier management system expectations and audit protocols for the entire industry—especially in high-risk areas such as forced labor. We are working to transfer audit responsibilities to our suppliers by increasing the share of EICC Validated Audit Process (VAP) audits. These use independent external auditors and include separate, third-party quality control for added credibility. In 2015, VAP audits made up 46% of all Hewlett-Packard Company supplier audits.

Zero-tolerance audit findings

Zero-tolerance items are the most serious type of nonconformance and 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 these findings very seriously and work with our suppliers to ensure that problems are swiftly corrected. When a zero-tolerance item is discovered, the supplier must cease all related practices and report corrective actions taken within 30 days of the original audit. We then work closely with the supplier to follow up, ensure that corrective actions are taken, and engage in on-site visits to confirm resolution.

Zero-tolerance items result in suppliers being downgraded on our SER scorecard. Our SER policy requires all suppliers to disclose a fatality, debilitating injury, or any other HP Supplier Code of Conduct zero-tolerance item related to manufacturing an HP product. See our Supply Chain Social and Environmental Responsibility Policy for details.
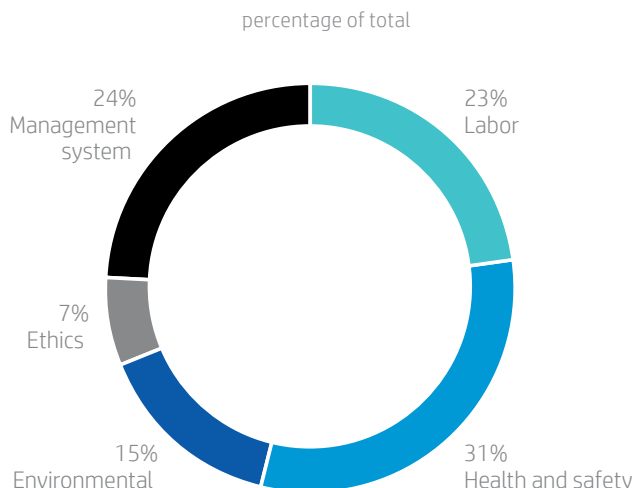
During audits in 2015, Hewlett-Packard Company identified five zero-tolerance findings related to health and safety issues at four commodities suppliers. There was also one zero-tolerance violation of labor rights at one commodity supplier.

- Four findings related to emergency preparedness, including lack of adequate fire detection/suppression systems, lack of appropriate evacuation drills, and blocked/locked emergency exits.
- One finding related to industrial hygiene involving inadequate machine safeguarding.
- One finding of withholding foreign migrant workers' secondary school certificates and identification papers.

We have worked with our suppliers to complete corrective actions addressing all zero-tolerance findings from 2015. We expect to see our engagement with these suppliers lead to long-term improvement in working conditions and overall SER performance.
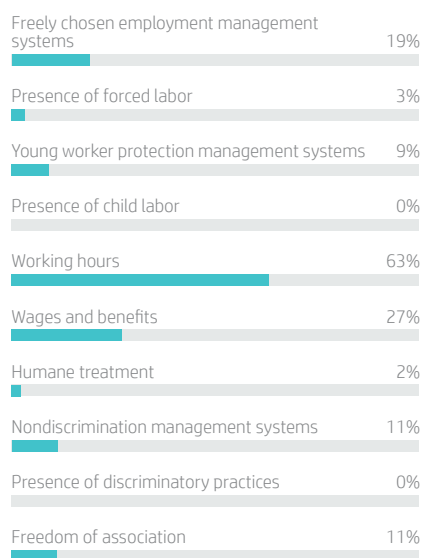
Key findings

Distribution of major nonconformances by section of HP Supplier Code of Conduct, 2015*

percentage of total

24% Management system

23% Labor

7% Ethics

15% Environmental

31% Health and safety

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* Data is from audits; data from assessments is not included. Audit data does not necessarily represent the same supplier sites as the previous year.

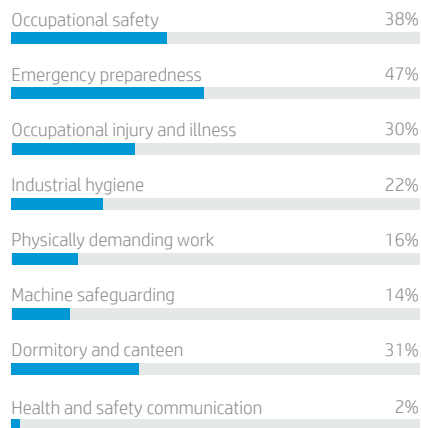### Labor

rates of major nonconformances of sites audited

Freely chosen employment management systems	19%
Presence of forced labor	3%
Young worker protection management systems	9%
Presence of child labor	0%
Working hours	63%
Wages and benefits	27%
Humane treatment	2%
Nondiscrimination management systems	11%
Presence of discriminatory practices	0%
Freedom of association	11%

Labor

In 2015, Hewlett-Packard Company focused on strengthening policies and programs to improve labor rights and working conditions at supplier sites. Working hours has been the most prevalent labor challenge in the supply chain, with 63% of audits in 2015 resulting in major nonconformances. For information about working hours performance among suppliers in our KPI program, see Working hours and day of rest.

The company saw an increase in nonconformances with nondiscrimination management systems requirements (from 2% to 11%). This increase can be explained in part by the fact that in 2015, the requirement was expanded to include religious accommodation, which was new to many suppliers that consequently lacked policies to ensure this protection.

Audit findings showed a marked improvement in conformance with requirements for freely chosen employment management systems compared to 2014 (from 24% to 19%). This reflects an increased number of re-audits in which suppliers better understand expectations and requirements. The implementation of the new HP Foreign Migrant Worker Standard has also improved our ability to identify violations, such as the 3% nonconformance rate for presence of forced labor. For more information, see Zero-tolerance audit findings.

Health and safety
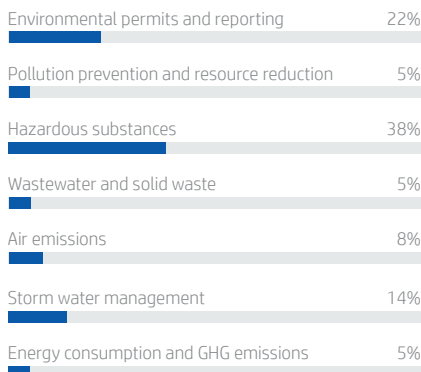rates of major nonconformances
of sites audited

Occupational safety	38%
Emergency preparedness	47%
Occupational injury and illness	30%
Industrial hygiene	22%
Physically demanding work	16%
Machine safeguarding	14%
Dormitory and canteen	31%
Health and safety communication	2%

Environmental
rates of major nonconformances
of sites audited

Environmental permits and reporting	22%
Pollution prevention and resource reduction	5%
Hazardous substances	38%
Wastewater and solid waste	5%
Air emissions	8%
Storm water management	14%
Energy consumption and GHG emissions	5%

Ethics
rates of major nonconformances
of sites audited

Business integrity	3%
No improper advantage	5%
Disclosure of information	3%
Intellectual property	3%
Fair business, advertising, and competition	6%
Protection of identity	5%
Responsible sourcing of minerals	9%
Privacy	3%
Nonretaliation	3%

Health and safety

Emergency preparedness remains a key issue in this area, and 2015 nonconformance rates remained relatively constant compared to 2014. In 2013, Hewlett-Packard Company began a multiyear effort to improve supplier emergency preparedness through focused assessments and capability building, and nonconformance rates have decreased during that period from 55% to 47%.

Nonconformances for occupational injury and illness, which increased in 2015 (from 21% the prior year to 30%), related primarily to injury and illness permits, as well as first aid response reporting.

In 2015, nonconformance rates decreased compared to 2014 for occupational safety (from 42% to 38%), industrial hygiene (from 26% to 22%), and machine safeguarding (from 21% to 14%). We believe these are due in part to efforts over the past few years to build supplier knowledge and capabilities in this area. We will continue engaging our suppliers to drive performance improvement—for example, through our TenSquared program to strengthen worker–management communication for evacuation plans.

Environmental

In 2015, the two most prevalent environmental nonconformances related to hazardous substances and environmental permits and reporting. Hazardous substance performance, however, did decrease from 41% in 2014 to 38% in 2015. During 2015, the Hewlett-Packard Company strengthened wastewater, solid waste, and air emissions provisions with new monitoring, reduction, and management requirements, while the nonconformance rates remained relatively level.

The company added new provisions in 2015 for energy consumption, greenhouse gas emissions, and storm water management, resulting in new areas of nonconformance. Identifying these problems through our audits will help us to more effectively mitigate them.

Read more about our environmental program in Supply chain environmental impact.
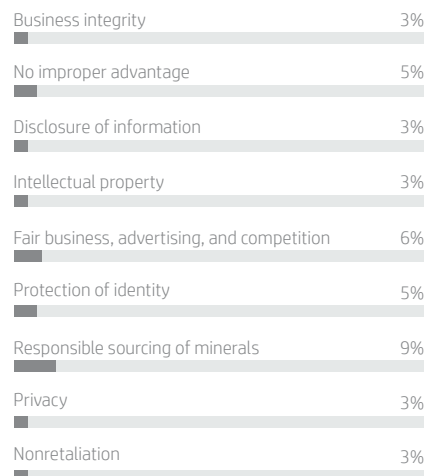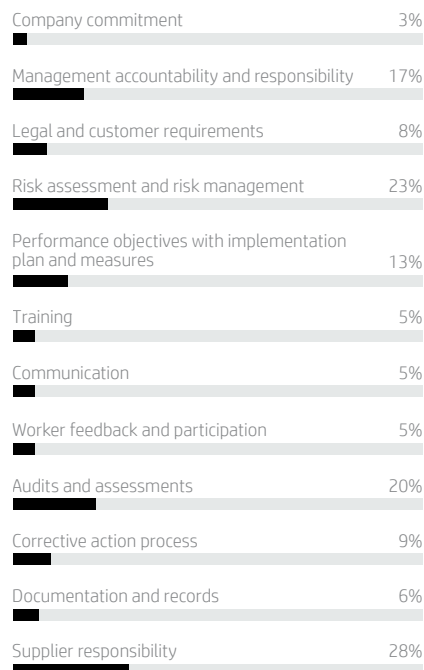
Ethics

Ethics continued to represent the smallest proportion of audit nonconformance findings in 2015, at 7% of the overall total. In 2015, Hewlett-Packard Company updated several ethics provisions to increase the specificity of supplier requirements. The company saw continued improvements in ethics performance for most provisions, notably a decrease in fair business, advertising, and competition findings from 12% to 6%. Findings related to responsible sourcing of minerals increased from 5% to 9%. For more information about HP's activities and progress in this area, see Conflict minerals.

Management system

rates of major nonconformances
of sites audited

Company commitment	3%
Management accountability and responsibility	17%
Legal and customer requirements	8%
Risk assessment and risk management	23%
Performance objectives with implementation plan and measures	13%
Training	5%
Communication	5%
Worker feedback and participation	5%
Audits and assessments	20%
Corrective action process	9%
Documentation and records	6%
Supplier responsibility	28%

Management system

Management system nonconformances remained low for most provisions in 2015, indicating relatively strong implementation of SER systems and controls. HP continues to work with suppliers and external partners such as SAI to improve SER management systems. Learn more in the document Supply chain responsibility: Our approach, available online.

Conflict minerals

The exploitation of natural resources in the Democratic Republic of the Congo (DRC) is being used to fund groups engaged in extreme violence and human rights atrocities. The primary concern involves mineral precursors of the metals tantalum, tin, tungsten, and gold (3TG)—known as "conflict minerals."

This has rightly resulted in global outrage, and calls for urgent action. Any possibility that the manufacture of our products might be connected to armed conflict is unacceptable.

HP Inc. is continuing Hewlett-Packard Company's track record of leadership with a comprehensive conflict minerals program to conduct due diligence across a diverse supply chain and to catalyse responsible mineral sourcing. We are dedicated to ensuring that any connection between the minerals we use and armed conflict is eliminated.

A multi-actor supply chain

3TG metals are found in relatively small amounts in virtually all HP electronic products. The ICT industry is an important user of tantalum compared to other sectors (about 15% of the world's consumption), and has achieved the most progress related to conflict-free tantalum sourcing.

Our industry is a much smaller user of tin (about 0.1%), tungsten (about 2%), and gold (about 3%).[2] For example, a typical laptop has been estimated to contain 2 grams of tin, 0.5 grams of tungsten, and less than 0.33 grams of gold. Multi-industry collaboration is needed to achieve significant progress with those metals.

The 3TG supply chain spans the globe with many stages between mine and product. HP is an end user of 3TG metals and there are typically between four and 10 supply chain stages between us and the smelters that purchase and process the ore into metals.

HP is focusing on sourcing from smelters that participate in the Conflict-Free Sourcing Initiative (CFSI), since the greatest risk of conflict minerals entering our supply chain is through smelter ore purchasing practices. The supply chain between the smelters and HP—including contract manufacturers, commodity manufacturers, component manufacturers, distributors, subcomponent and part manufacturers, metal material manufactures, and metal importers—presents minimal risk of introducing conflict minerals to our products.

Conceptualization of HP's 3TG supply chain

| Mines, exporters, traders, etc. | Smelters **297** | Sub-tier 3TG suppliers | Direct 3TG suppliers | HP |
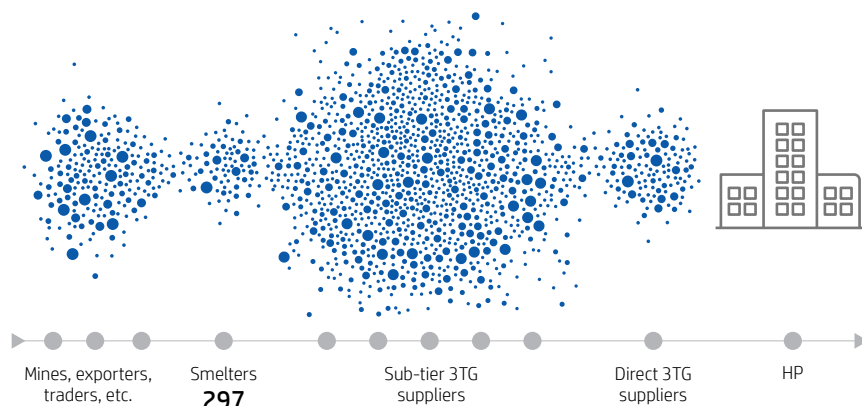
Eliminating conflict-related risks from our supply chain

Our objective is to have a supply chain that sources 3TG only from smelters that comply with CFSI's Conflict-Free Smelter Program (CFSP), which requires a third-party sourcing audit.

HP's goal is for a majority of our 3TG production procurement spend to be DRC conflict-free by the end of 2016. This builds on the work of Hewlett-Packard Company, which starting in 2015 required its suppliers to source tantalum only from CFSP-compliant smelters. We track progress by measuring the percentage of smelters in our supply chain on the Conflict-Free Smelter Program list.

We exert influence in our supply chain by:

- Directly encouraging smelters that purchase and process mineral ores to participate in a third-party sourcing audit
- Engaging with our production suppliers of products containing 3TG to require their smelters to participate in a third-party sourcing audit
- Supporting multi-stakeholder collaboration to establish secure conflict-free sources of 3TG ores from the DRC.

Suppliers

HP has set clear expectations with our production suppliers regarding conflict minerals. We reinforce our expectations annually by communicating our Supply Chain Social and Environmental Responsibility Policy to 3TG suppliers. We communicate further expectations in HP's General Specification for the Environment and the HP Supplier Code of Conduct. The CFSI developed and maintains the Conflict Minerals Reporting Template (or Template for short), which gives companies a common data format for sharing information about 3TG sources with business partners and suppliers up and down their supply chain.

In 2015, Hewlett-Packard Company identified the production suppliers that could be supplying HP with products containing 3TG and required those suppliers to:

- Adopt a conflict minerals policy, due diligence framework, and management system, and require the same from their suppliers

Miners using a sluicing technique to concentrate tantalite ore at the Mai Baridi Mine in Katanga Province, Democratic Republic of the Congo

- Enable direct suppliers to engage their supply chain to identify 3TG producing smelters linked to HP products
- Aggregate the results of due diligence conducted on their supply chain
- Submit a completed Template identifying the individual smelters associated with their supply chain for HP products. (However, most Templates continue to represent the supplier's entire supply chain.)
- Transition to smelters that have completed a third-party sourcing audit (smelters on the CFSP list)

If any 3TG supplier reports sourcing from a smelter that triggers one of our potential risk indicators, we request the supplier to investigate further to establish whether the unverified material may be used in HP products. When we identify a risk of this occurring, we request the supplier to remove the smelter from our supply chain.

We assess suppliers' Template submissions and policies, and follow up by specifying corrective actions to achieve full compliance with our expectations. HP also supports production 3TG suppliers with training materials on how to complete the Template and offers one-on-one training on request.

During calendar year 2015, Hewlett-Packard Company obtained acceptable responses from 3TG production suppliers representing more than 98% of 3TG production procurement spend.

Smelters

All of the tantalum smelters reported to be in our supply chain, whether or not they are sourcing from the Covered Countries (the DRC and nine adjoining countries), are compliant with the CFSP.

HP's journey toward DRC conflict-free minerals beyond tantalum depends on increasing the number of smelters in our supply chain that are on the CFSP list. By working with our production suppliers, we have identified the smelters in our supply chain and directly engaged with most that have not yet participated in the CFSP to request that they do so.

In practice, it is very challenging for HP to influence a smelter's decision because we are not their direct customer. A smelter's decision to participate in a third-party audit program is predominantly influenced by pressure from its direct customers, and HP's requests are often ignored. We have identified smelters that have refused to participate in a third-party sourcing audit and are working to remove them from our supply chain.

HP's 2016 conflict minerals disclosure includes a list of all smelters reported to us regardless of whether they source from the DRC and adjoining countries. This disclosure continues our legacy of supply chain transparency, highlights the smelters that are validated as compliant with the CFSP, and applies pressure to smelters that have unknown 3TG sourcing.

HP identified the smelters and refiners on this list by surveying suppliers between January 2015 and December 2015. The suppliers surveyed contribute material, components, or manufacturing to products containing 3TG. Each smelter or refiner reported was identified in at least one of the Templates received from a supplier.

Multi-stakeholder collaboration and advocacy

HP collaborates widely with businesses, nongovernmental organizations (NGOs), government agencies, and our extensive network of production suppliers to advance the use of responsibly sourced minerals.

Our work began in 2008 when we helped establish the working group that was the precursor to the CFSI. In 2015, Hewlett-Packard Company continued active participation in CFSI (member ID HPQQ), providing leadership through working groups. Additionally we engaged and contributed through industry and multi-stakeholder groups, as well as in-region sourcing projects including:

- IDH's Indonesian Tin Working Group
- Kemet Partnership for Social and Economic Sustainability
- Public-Private Alliance for Responsible Minerals Trade
- Responsible Minerals Multi-Stakeholder Network
- Solutions for Hope project
- The former Conflict-Free Tin Initiative

HP's three-year engagement with the IDH Indonesian Tin Working Group is an example of expanding our collaboration beyond the scope of DRC conflict minerals. We have also begun conducting due diligence on cobalt and assessing other conflict-affected areas beyond the DRC to identify other ways to proactively advance responsible minerals sourcing.

In the European Union, HP is advocating a novel regulatory approach to solving the conflict minerals issue. This would require all downstream users of 3TG to contribute a nominal amount of money to a fund. The fund would be used to support the systems and programs needed to increase the capacity of conflict-free sources in the DRC.

HP believes the most significant barrier preventing smelters from sourcing more responsible minerals is the limited supply of reliably assured sources. The artisanal nature of mining in the region means that multiple small-scale mines need to be assured as conflict-free in order to increase overall capacity.

The approach we are recommending provides resources that would directly increase the volume of responsible small scale and artisanal mining in the region. The financial contribution from users of the minerals would be an appropriate investment to help solve the problem. Such a regulation would apply resources where they make the most difference.

Progress in 2015

We track the number of 3TG facilities that are participating in and successfully completing an independent assessment program. Our suppliers reported 297 3TG facilities in 2015, of which 215 are compliant with, and 38 are in process to become compliant with an independent assessment program. Our year-over-year progress is shown in the graph in the next page.

3TG smelters or refiners reported in HP's supply chain*
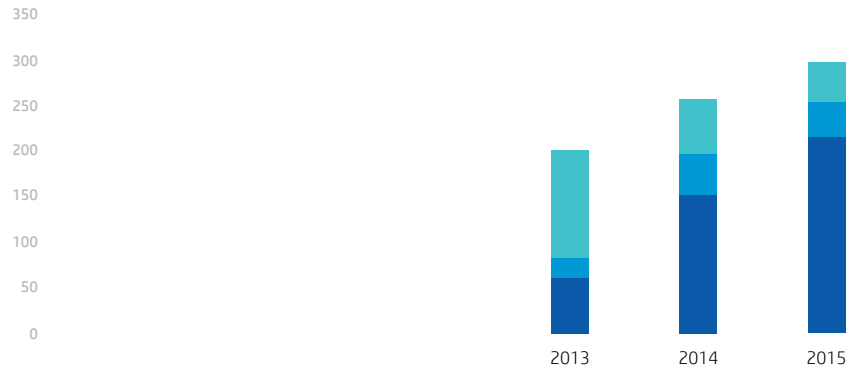
	2013	2014	2015
🟦 Not yet participating	120	61	44
🟦 In process**	21	44	38
🟦 Compliant***	60	152	215

* 2013 data are as of January 2014. 2014 data are as of April 2015. 2015 data are as of April 2016.

** Smelters or refiners listed by CFSI as currently in the process of becoming CFSP-compliant or that are Tungsten Industry-Conflict Minerals Council (TI-CMC) Category A members.

*** Smelters or refiners compliant with assessment programs: CFSI's CFSP, Responsible Jewellery Council's (RJC) Chain-of-Custody Certification Program, or the London Bullion Market Association's (LBMA) Responsible Gold Programme.

Based on the reasonable country of origin inquiry and due diligence performed with respect to the 3TG facilities our suppliers reported to us, just 8% (25) have sourcing that is unknown and are not yet participating in an independent assessment program. The remaining 92% (272) are either:

• CFSP compliant
• In process to become compliant
• Reasonably believed by HP to source only scrap and recycled materials
• Reasonably believed by HP to source conflict minerals outside of the Covered Countries

Progress toward DRC Conflict-Free

Type of facility	Total	Progress toward DRC Conflict-Free*	Percentage
Tantalum	45	45	100%
Tin	86	81	94%
Tungsten	42	41	98%
Gold	124	105	85%
Total	**297**	**272**	**92%**

* Percentage of total 3TG facilities reported to Hewlett-Packard Company that were either Conflict-Free Smelter Program 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 April 2016).

SEC Conflict Minerals Report

In May 2016, HP filed its Conflict Minerals Report and Form SD with the U.S. Securities and Exchange Commission (SEC) disclosing HP's due diligence efforts and results with respect to necessary conflict minerals contained in HP products. See HP's SEC Conflict Minerals Report.

Supplier diversity

Our customers span the globe and come from all backgrounds and walks of life. By hiring suppliers that reflect this diversity, we strengthen our business, support innovation in our supply chain, and enhance the economies of local communities worldwide.

Diversity management

HP's Global Supplier Diversity Office encourages and supports small businesses and companies owned by women, minorities, veterans, aboriginal or indigenous people, and lesbian, gay, bisexual, and transgender (LGBT) individuals to compete for business. In 2015, Hewlett-Packard Company had supplier diversity programs and partnerships in Australia, Canada, China, Ireland, South Africa, the United Kingdom, and the United States.

To strengthen how we manage supply chain diversity at HP, in the coming year we will:

- Align supply chain diversity efforts more closely with HP's corporate diversity and inclusion strategy
- Focus on collaborations that most effectively build long-term relationships and new business with diverse suppliers
- Collaborate with the U.S. Small Business Administration in compliance with federal requirements to mentor and develop U.S. small businesses

Diversity performance

In 2015, Hewlett-Packard Company's U.S. spend on small business suppliers was approximately $2.467 billion, a decrease of 27% compared to 2014. Spending on U.S. minority-owned and women-owned businesses also declined, by 40%, totaling $916 million in 2015. These reductions resulted from the rationalization program conducted across Hewlett-Packard Company's supplier base in preparation for the separation into two companies. See Data for more detail.

In addition, Hewlett-Packard Company spent nearly $222 million with diverse small- and medium-enterprise (SME) suppliers in the UK and Ireland in 2015, as well as $2.2 million with Canadian diverse suppliers.

Supplier development

HP supports diverse suppliers through partnerships, mentoring, and development activities that spur their growth. Key specialist partners include the global Women's Business Enterprise National Council (WBENC) and the National Minority Supplier Development Council (NMSDC) in the United States. We are currently evaluating our partnerships around the world to maximize impact, focusing on programs that directly connect diverse suppliers to new business.

A hands-on approach to diverse supplier mentorship

HP provides intensive and impactful support to select diverse suppliers through the U.S. Department of Defense Public Sector Mentor-Protégé program.

In 2015, Hewlett-Packard Company's mentorship helped Pyramid Consulting, a minority-owned technology support business based in Alpharetta, Georgia, to grow rapidly and meet clients' needs more effectively. Pyramid is now one of the largest staffing firms in the United States and was named a Regional Supplier of the Year by the NMSDC.

Another mentee, ITSourceTek, has become a big name in IT cybersecurity for small businesses after four years of Hewlett-Packard Company's support. CEO Brian Arenalles is viewed as a thought leader in the field, appearing on panels alongside experts from McKinsey and the FBI's Cyber Security Squad, and was featured in Hispanic Executive magazine.

[1]
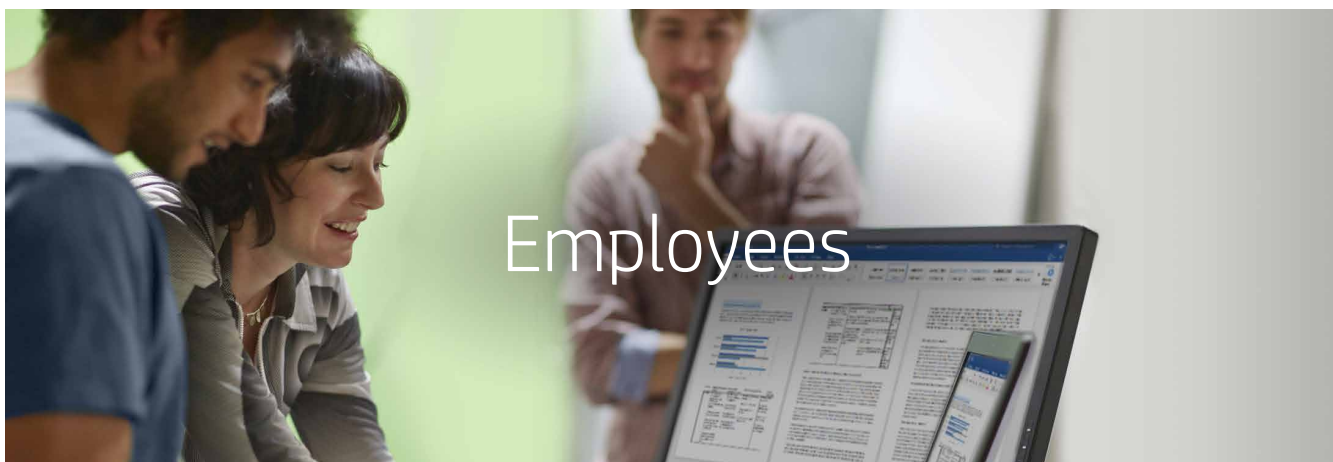
Employees

Bill Hewlett and Dave Packard's greatest invention wasn't a technology but a culture: the HP Way. The values that continue to guide us as we create a new HP help us realize there are no short cuts—culture is something that we build together. Our culture inspires us to make lives better and make a profit. To put customers' needs first and innovate for the future. To work hard, push ourselves, and have fun.

Each of our nearly 50,000[1] employees worldwide will determine what HP becomes and the legacy we create. We look to every employee to incorporate sustainability principles into their work, inspiring us to see what others don't. From engineers and technicians to designers and salespeople, HP employees are creating technologies that make life better for everyone, everywhere.

Our priorities

Embed diversity in all that we do

- Take an "everybody in" approach
- Recruit and foster diversity at all levels

Drive culture and engagement

- Connect employees at all levels to our mission, vision, business strategy, and culture
- Drive improvement in employee engagement through global and local programs and forums

Implement talent and leadership programs

- Build a talent pipeline that fosters diversity
- Propel performance management that benefits individuals and business growth
- Implement our workforce labor strategy to build capabilities at hubs globally

Highlights of 2015

Most diverse board
among U.S. technology companies established by HP Inc.

38,200+
employees contributed 1.2 million hours of volunteer time in 72 countries

5.4 million+
training hours completed by employees

A new HP

In 2015, Hewlett-Packard Company separated into two businesses, HP Inc. (HP) and Hewlett Packard Enterprise, completing the process on November 1. To manage this change with minimum disruption, a dedicated Separation Management Office oversaw logistics and communication, enabling employees to focus on their roles moving forward. Employees worldwide were continually updated on the separation timeline, and senior leaders joined regular dialogue and consultation with staff. HP retained nearly 50,000 employees worldwide and is committed to helping each of them thrive moving forward.

Hewlett-Packard Company conducted monthly employee polls during the year to monitor efforts to make the transition as smooth as possible. Globally, 87% of employees surveyed felt the separation was conducted well and that the company maintained a clear focus on customer satisfaction. Eight of 10 managers were rated by their teams as doing a good job helping employees understand and be ready for all aspects of the separation. Voluntary attrition rates were stable year over year, including for top talent.

Diversity and inclusion

The HP People of Color Employee Resource Group celebrating Native Americans at the "Rock Your Mocs" event

Our commitment to diversity and inclusion is deep and our approach is broad, encompassing our employees, suppliers, partners, and communities. By celebrating our differences, we bring unique experiences and perspectives to bear on HP's capabilities and expertise. This helps us design and deliver products and services that work for everyone, everywhere.

The technology industry has room for considerable improvement in this area. For our part, HP is committed to tackling this issue from the boardroom to our offices worldwide. No one company alone can solve the underrepresentation of diversity in our industry. Collaboration is essential in this mission to gain insights, feedback, and support to drive us all forward. HP has long been one of the most transparent technology companies and a recognized leader in diversity and inclusion within our industry. Strong policies guide our actions, and we continue to innovate new ways to increase diversity, foster inclusion, and align to business outcomes.

HP's commitment to diversity begins at the highest level, with our Board of Directors. Our new board includes five female and six minority members—the most diverse board among U.S. technology companies.[2] HP President and Chief Executive Officer Dion Weisler is committed to building on this leadership position and making our company—and industry—increasingly diverse. Learn more.

> "HP is taking not just a small step forward but
> a leap forward, setting the pace for the tech industry
> that will do well to follow their example."
>
> —Reverend Jesse Jackson, Founder, Rainbow PUSH Coalition on HP's Board of Directors

Our diversity and inclusion policies, overseen by our Chief Diversity Officer, lay the foundation for a positive work culture. The policies often set higher standards than legally required in countries where we operate. HP does not tolerate discrimination or harassment. Employees are encouraged to report suspected incidents to their human resources department, or by using our worldwide, confidential 24-hour GuideLine.

Cultivating inclusion

Building a diverse workforce doesn't happen by itself or overnight, especially in an industry historically lacking in female and minority employees. We proactively work to hire interns, college graduates, and experienced individuals from a wide range of backgrounds. We leverage creative ways to find the best people for the job, including diverse talent.

To reflect our corporate commitment, we support employee participation in formal and informal activities that contribute to our diverse and inclusive work environment, including:

- **Trainings**: HP's Cultural Competence program provides global tools that broaden and embed cultural thinking among employees across the organization.
- **Employee Resource Groups (ERGs)**: Hewlett-Packard Company ERGs held more than 260 diversity-focused events in 30 countries during 2015. The company launched one of the first documented LGBTQ ERGs, more than 30 years ago, inspiring other companies to create similar groups.

We've been a leader in LGBTQ benefits and policies, and support LGBTQ-friendly legislation. HP will continue to influence industry and set an example in this area—through employee practices, programs, culture, and environment.

In 2016, we plan to introduce an integrated, company-wide strategy to increase diverse talent at HP. Through strategic partnerships and internal recruitment and development, we will support the growth of a strong and diverse talent pipeline.

Promoting women in IT

Women are underrepresented across the IT industry. Supporting and developing qualified female engineers, designers, coders, and executives is a business and industry priority. To help address this situation, Hewlett-Packard Company worked to build a female talent pipeline for our sector, supporting programs that attract women to careers in IT. In the United States, the company committed $1 million over four years in 2014 to the National Center for Women & Information Technology's Aspirations in Computing Collegiate Program. This supports women studying undergraduate computing at the Center's Academic Alliance schools. We also sponsor the Women's Innovation Council, a forum for female technology leaders at HP and across the industry to collaborate, drive innovation, and encourage women to pursue careers in science, technology, engineering, and math.

Moving forward, HP's focus on supporting the advancement of women in IT remains a priority. We will expand our reach and provide our support to organizations through sponsorship and volunteer efforts that help develop the next generation of women and minority innovators.

Collaboration

Partnerships play a key role in identifying opportunities to build the technology career pipeline for underrepresented demographic groups. In the United States, we work closely with groups such as the Anita Borg Institute, Catalyst, Diversity Best Practices, Information Senior Management Forum, Leadership Education for Asian Pacifics (LEAP), the National Action Council for Minorities in Engineering (NACME), National Society of Black Engineers, Out and Equal, and Workplace Advocates to promote inclusion throughout our applicant pool and workforce.

One of the

1st

documented LGBTQ Employee Resource Groups, launched by Hewlett-Packard Company, more than 30 years ago

$1 million

committed over four years in 2014 to the National Center for Women & Information Technology's Aspirations in Computing Collegiate Program

Recognition

In 2015, key recognition for HP's efforts to support diversity and inclusion included:

- Working Mother: 100 Best Companies (25th year making the list)
- Black Data Processing Associates (BDPA): Top Company for Blacks in Technology Epsilon (4th consecutive year)
- Human Rights Campaign Corporate Equality Index: Rated 100%, for the 13th consecutive year, for Best Places to Work for LGBT Equality
- Equal Opportunity Publications: Top 50 for Minority Engineers, Woman Engineers, People with Disabilities, and Workforce Diversity
- *U.S. Veterans Magazine*: "Best of the Best" Top Veteran-Friendly Companies

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Inviting diverse investments at HP

In 2015, HP worked with Rainbow PUSH Coalition to convene several networking events with minority-owned investment banking firms to build business relationships. In October 2015, we invited five minority-owned firms to participate in a $15 billion debt offering. As part of our diversity outreach strategy, HP will continue to pursue minority-owned investment firms for debt offerings.

Workforce demographics

View Data for detailed Hewlett-Packard Company employee demographics data from 2011–2015. To view breakdowns of the Hewlett-Packard Company U.S. workforce by gender, ethnicity, and job category, see the company's 2015 U.S. EEO-1 form.

Engaging employees

Innovation is a team activity. It depends on the inspiration and collaboration that comes from working alongside talented professionals. HP is focused on attracting, developing, and retaining top talent, and we provide opportunities for all employees to make meaningful connections and build lasting and fulfilling careers with us.

Employee Resource Groups: HP has a long tradition of connecting employees to each other and our communities through affinity-based ERGs. In 2015, Hewlett-Packard Company supported about 160 in-person and online ERGs worldwide.

HP Sustainability Network: Our largest environmental volunteer and engagement group has eight chapters worldwide. In partnership with the World Wildlife Fund Canada, a conservation nonprofit, the network developed a comprehensive toolkit in 2015 to help volunteers run Earth Day events. HP monitors how we support, track, and report the activities and impact of our ERGs. In 2016, we will adjust the number of groups to better reflect our workforce size, while finding new ways to maximize impact.

Engagement survey: Our employees know our business best and we listen to them. In 2016, we will launch a global Voice, Insight, Action survey, for employees to provide their perspectives and opinions about working at HP. The findings and comparisons to external global benchmarks will help us understand where we're doing well and the most important areas to improve.

Volunteerism

HP employee Chris Moore teaching staff PC literacy at a school for children orphaned by AIDS in Uganda

To strengthen and enrich the communities where we live and work, HP taps into the talents, passions, and entrepreneurial spirit of our employees. Volunteerism[3] is deeply rooted in our culture. Every employee is entitled to four hours of paid volunteer time per month.

Our employees give back to their communities in many different ways. They donate their time and talents, contribute cash, join team service projects, and serve on nonprofit boards and committees. These efforts support areas that align with our sustainability priorities and business strategy, including the environment, education, entrepreneurship, and health.

In 2015, more than 38,200 Hewlett-Packard Company employees contributed 1.2 million hours of volunteer time in 72 countries. With initiatives such as our Global Day of Service suspended due to the company's separation, volunteer participation in 2015 decreased compared to 2014. Of the total number of volunteer hours, about 279,400 hours were attributable to more than 10,200 employees now retained by HP Inc.

Giving back to our communities brings clear employee and business benefits. Moving forward, volunteerism will remain a cornerstone of HP's employee engagement and community outreach activities.

Acting globally with Stop Hunger Now

In 2015, Hewlett-Packard Company partnered with the U.S.-based nonprofit Stop Hunger Now, which packages and ships nutritious meals to children and families in need in Africa, Asia, Europe, and North America. Over the year, more than 6,800 employees globally packed 2.46 million meals, a 48% increase in participation compared to 2014.

$69.0 million[*]

of value in Hewlett-Packard Company employee volunteering contributed in 2015

[*] Hourly rate based on type of volunteering: $150/hour for board, service corp, pro bono, and skills based; $23.07/hour for hands-on and undetermined, adjusted using World Bank data for purchasing power differences across countries.

Volunteering our skills

HP's global workforce contains a wealth of professional skills and expertise. We encourage employees to use their talents to support nonprofit organizations and social entrepreneurs in their communities. Internal surveys suggest that employees find skills-based volunteering more rewarding than general volunteer activities. Of the 1.2 million Hewlett-Packard Company volunteer hours in 2015, 26% were skills-based. For employees now retained by HP Inc., 28% of volunteer hours in 2015 were skills-based.

In 2016, all HP employees can apply for a full week of paid time off, in addition to their four paid hours per month, to dedicate skills-based time to a charitable organization. With the new Time Off Community Support Grant Program employees will serve a nonprofit of their choice and share their experiences through blogs, interviews, and photos.

Building a culture of volunteerism

We will look to our ERGs to strengthen and expand our volunteering efforts moving forward. Many of these groups are well connected to their communities and support nonprofit organizations that align with HP's sustainability strategy and approach.

Beginning in 2016, a dedicated human resources team will be responsible for culture and engagement, including volunteerism, across our global offices. The team will use ERG activities to engage HP employees in the workplace and their communities.

Empowering better performance

High-achieving employees drive our efforts to create technologies that make life better for everyone, everywhere. Through support from managers and mentors, combined with job rotations, work experience, and training, we provide coaching and development that keeps our employees learning, growing, and contributing at the highest level.

During the separation, internal promotions fortified our leadership and helped us maintain expertise throughout the organization. Following the separation, we are focused on strengthening our talent pipeline and building the next generation of leaders. To accomplish this, we will refine the executive talent review process to support senior leaders' development. We will also invest heavily in development programs for new and less experienced people managers.

In 2016, we will simplify performance management goal setting. Managers will work with employees to develop strategic goals that map to our business strategy, company culture, and their own development. Moving forward, we will further embed a manager–employee feedback process that encourages ongoing and transparent dialogue around performance and development.

HP University

HP University (HPU), the centerpiece of our professional development efforts, empowers employees to gain the knowledge and skills needed to innovate and excel in their roles. Learning is self-directed, with a wide range of flexible options including more than 10,000 online, self-paced courses, formal training, conferences, seminars, and certifications. In 2015, HPU's third year, employees completed more than 5.4 million training hours. This equaled an average of 21.95 hours per employee.

5.4 million+
training hours completed by employees in 2015

Rewards and recognition

Our employees' hard work is what fuels HP's performance, and we acknowledge and reward their efforts through competitive compensation, benefits, and recognition programs. In setting salaries, bonuses, and other incentives, we target an overall market-competitive pay position across the company. HP completes at least one annual performance review cycle for pay and benefits globally, and continued to do so throughout the separation process. In 2015, 100% of eligible employees received a performance review.

We offer wide-ranging employee benefits everywhere we operate. Depending on location, these include:

• Retirement and savings plans

• Income-protection insurance covering risks from injury or illness

• Health and wellness plans

• Flexible working arrangements

• Employee Stock Purchasing Plan

Celebrating our colleagues

HP is a team. The more we collaborate, support, and acknowledge one another, the better our company performs. Through Recognition@hp we celebrate and acknowledge employment milestones at HP, peer support, and standout employees and teams through four core recognition programs: Living Our Values, Making an Impact, Leading the Way, and Celebrating Service. Employees nominated by their peers and managers receive eCards, rewards points, and cash awards.

In 2015, 83% of employees received recognition from and/or recognized their colleagues, and 95% of managers gave recognition awards. In 2016 we plan to introduce a mobile app so employees can more easily applaud colleagues and sustain a culture of appreciation.

Wellness

HP's physical, emotional, and financial wellness programs help employees care for themselves and those they love. Our holistic Winning with Wellness program focuses on three critical areas: physical health, stress management and emotional resilience, and financial wellness.

Physical health

2015 program highlights included:

- **Global Wellness Challenge** Nearly 60,000 employees from 83 countries participated in this annual eight-week challenge. Team activities included walking, race preparation, and training, as well as wellness days with employees and their families.
- **Power of Prevention** Nearly 140,000 employees from 42 countries participated in this six- to eight-week program providing screening and information for eight common types of cancer.
- **Biometric screenings** Offered annually in the United States, these tests generate baseline health data. In 2015, more than 58% of eligible employees and spouses participated.

Stress management and emotional resilience

Work/life balance services help our employees better manage daily stress and provide support during times of emotional upheaval.

In 2015, we made meQuilibrium, a web-based stress assessment tool piloted in the United States in 2014, available to all employees. The online program also provides counseling and goal-setting support to help manage stress. During 2015, 5,600 employees covered by the pilot completed improvement check-ins. More than 14,000 employees globally took part in Discover the Upside of Change, a webcast led by a world-renowned expert from Stanford University, on how to manage and improve well-being during times of personal or professional upheaval. To empower managers to support troubled employees, we also provide a High-Risk Situation Support Training and Manager Toolkit as well as site-specific trainings on mental health awareness. HP will continue these programs in 2016 and evaluate opportunities for expansion.

Financial wellness

Financial issues can be a major source of stress. To support employees, we provide financial wellness workshops and webcasts covering topics such as saving, investing, retirement planning, and debt management. In 2015, we launched My HP Financial Wellness, a website employees worldwide can customize to their financial situation. In the United States, we sponsored an online Financial Boot Camp featuring weekly, 5- to 30-minute activities in the office to heighten employees' financial management knowledge and skills. Our focus in 2016 will remain on financial literacy training, resources, and education for employees.

Health and safety

HP employees work in offices, production facilities, warehouses, and labs. We design all these working environments to keep our employees healthy, safe, and productive. Our health and safety programs, communications, and training focus on the risks most relevant to our business—primarily slips, trips and falls, ergonomic injuries, and chemicals handling.

How we stay safe

We continually monitor and improve environmental, health, and safety (EHS) management processes globally to make them more efficient and effective. Our approach includes staying up to date on changes in health and safety legislation and standardizing how we assess risks and meet legal requirements everywhere we operate.

To ensure employee health and safety, all HP sites follow our rigorous EHS policy and EHS management system. The latter aligns with two stringent leading standards:

- ANZI Z10, American National Standards Institute
- ILO-OSH 2001, International Labour Organization

We use a health and safety data-collection and tracking system to monitor injury trends regionally and globally, and to report our performance.

In 2015, Hewlett Packard Company's internal auditors certified our global EHS audit program as meeting Institute of Internal Auditors guidelines. This more fully aligns our approach with other standards used internally in areas such as finance and data security. This certification continues to apply to HP in 2016.

Managing chemicals globally

Chemical applications are a necessary part of making many HP products. Handling chemicals poses a potential safety risk to some HP employees. Our efforts to manage chemical use are guided by international best practice. In 2015, we continued to implement the Globally Harmonized System of Classification and Labeling of Chemicals worldwide, completing the process in the United States and making progress globally. We created teams to address regional and site implementation issues, including labeling requirements, continuing to update site chemical inventories, adding the newly formatted Safety Data Sheets to inventories, and improving our electronic chemical management system to enable easier chemical inventorying and container labeling. HP will continue to manage chemicals using the same processes implemented at the Hewlett-Packard Company.

Communicating safety

Keeping employees informed about relevant policies, processes, and regulatory compliance issues is central to our EHS strategy. In 2015, Hewlett-Packard Company offered employees more than 900 instructor-led trainings on environment, health, and safety (EHS), and had over 50,000 enrollments for more than 100 web-based trainings in this area. The company also developed a new EHS training specifically for managers. HP will continue engaging employees through various trainings in 2016.

To protect our global workforce, we continually monitor the spread of communicable diseases and develop contingency plans for our employees. When incidents arise, we work to ensure that employees have the best information as quickly as possible. An internal team collaborates with external experts, and benchmarks against other leaders. In 2015, Hewlett-Packard Company reported on 17 different health advisories, including chicken pox and shingles, Ebola, and measles. Early in 2016 we added information about the Zika virus to our health advisory bulletin.

Improving ergonomics training

Ergonomic injuries are the second leading cause of lost workdays and recordable injuries at HP, and we anticipate that this will continue to be the case. We train office employees and those who manually handle materials in ergonomic best practice, and work to mitigate these risks. In 2015, all new Hewlett-Packard Company employees were assessed for ergonomic risks. Our training was also available online for the first time, and updated to include personal devices. HP will continue to assess and engage nearly all new employees on ergonomic risks.

Performance in 2015

Across our offices, productions facilities, warehouses, and laboratories, we maintained a low accident and injury rate in 2015. Our global lost workday case rate was 0.06 and the recordable incident rate was 0.14.

The top three categories of work-related injuries at HP related to slips, trips, and falls (representing 42% of lost workdays in 2015), and to ergonomic issues in offices (13%) and when struck by/against/cut by issues (13%). We continue working to identify the causes of accidents and prevent them from occurring.

View Data for more detail.

Communities

HP LIFE train the trainer event in Nabel, Tunisia, conducted by HP and the United Nations Industrial Development Organization

At HP, we use our technology, capital, and resources to help develop strong, resilient communities. We're making strategic investments to create opportunities in under-served communities and transform education. And, when disaster strikes, we help affected communities recover more quickly.

Our priorities

Create opportunities in underserved communities

- Partner to provide free, self-paced online business and technology skills courses
- Provide access to capital

Transform education

- Support access to high-quality education
- Enable improved learning outcomes

Provide disaster relief

- Donate cash contributions
- Provide emergency connectivity

Highlights of 2015

580,000

people registered for HP LIFE through October 2015

3 NETa

pilots launched to better understand and evaluate the impact of IT in education

$1.219 million

spent on disaster relief and preparedness

Total Hewlett-Packard Company social investments in 2015 equaled $89.6 million

View Data for more detail.

Create opportunities in underserved communities

Lack of access to adequate support and capital are major barriers to success for aspiring entrepreneurs and micro and small businesses. HP partners with governments and education institutes on programs that foster global entrepreneurship and economic opportunity for the underserved.

HP LIFE: Learning Initiative for Entrepreneurs

More than 74 million young people worldwide are jobless or underemployed, many of them lacking the skills required by today's employers or marketplace. HP LIFE (Learning Initiative for Entrepreneurs), a global e-learning program, provides baseline business and IT skills free of charge for aspiring entrepreneurs, students, and small businesses. Through this initiative, we are driving progress toward the United Nations Sustainable Development Goals about education and learning opportunities.

HP LIFE is available in seven languages and used in more than 200 countries and territories. It offers 25 e-learning microcourses in core business areas including operations, marketing, finance, and communications. Users have 24/7 access to the platform so they can learn at their own pace and schedule. We also partner with local skills educators to facilitate face-to-face training in countries such as the United States, Myanmar, Tunisia, and India, where seven mobile "Future Classrooms" were deployed in rural areas.

In late 2015, HP LIFE moved to EdCast, a social knowledge network that offers cloud-based learning for world-class institutions, enterprises, governments, and nonprofits. As a result, HP LIFE users will have access to new and enhanced learning opportunities from across the EdCast network. The program will also attract users through new partnerships rather than direct outreach, further extending its influence. Our partners will benefit from having new ways to engage the network of HP LIFE learners, and to easily share up-to-date information.

How skills helped build a dream business

HP LIFE entrepreneur Ada Bustamante (left)

HP LIFE entrepreneur Ada Bustamante made a bold choice to start her own business. The mother of four from El Cerrito, California, United States, left her restaurant job to start Clean World Better Living, a residential and commercial cleaning company. Early on, Ada struggled with the organizational and administrative side of the business. By studying HP LIFE courses online for free, she learned how to better organize and manage her time, set fair prices, and develop a web page. She has since hired an employee and spends more time with her children. In Ada's words, "I think about the future. I'm going to follow my dreams. HP LIFE e-learning helped me find tools that I really needed to run my business."

Watch Ada tell her story here.

580,000

people registered for HP LIFE through October 2015

Extending our reach

Community colleges bring affordable and practical education to people of all ages and experience levels. HP taps into this network to promote IT and entrepreneurship through its collaboration with the National Association for Community College Entrepreneurship (NAACE). More than 100 community college faculty use HP LIFE to teach business skills, including developing a business plan, forecasting finances and sales, conducting market research, and surveying customers. As a result of these and other partnerships as well as outreach using social media, in 2015 HP LIFE reached approximately 580,000 registered users since 2012.

Support for new industries in North Carolina

The U.S. state of North Carolina has a long history of manufacturing, but many of those jobs have now moved to other countries. Entrepreneurship offers a path forward for enterprising citizens, and programs that provide relevant skills are a priority in many community colleges, including Catawba Valley Community College in Hickory.

Darcie Tumey, the college's Instructor of Business Administration, uses HP LIFE online learning in her entrepreneurship and introduction to business classes to provide students with resources for developing business ideas and writing business plans. She credits HP LIFE with helping her students win the gold medal in the entrepreneurship category at the Skills USA national conference in 2015, for a business plan to produce a book series helping children deal with major life issues. Says Darcie, "[HP LIFE] has added a huge amount of value to our courses ... Online scenarios that discuss real-life business challenges made the course modules extremely relevant for my students, who were grappling with the realities of starting a business. Without it, we would not have been able to put together as strategic a proposal."

To hear more about how HP LIFE is helping North Carolina, watch the video.

ADEPT in Myanmar

As Myanmar's economy and society become more open, opportunity beckons for the country's small and medium-sized enterprises. In 2013, Hewlett-Packard Company, the United States Agency for International Development (USAID), Indiana University's Kelley School of Business, BSR, and VinaCapital's Lotus Impact fund collaborated to launch the ADEPT (Advancement and Development through Entrepreneurship Programs and Training) program to develop entrepreneurship skills, opportunities, and capability building for the business and higher-education communities in Myanmar. By December 2015, eight ADEPT learning centers were up and running in rural and urban locations, equipped with the latest HP technology. HP LIFE has reached more than 1,900 aspiring entrepreneurs in Myanmar. Over 180 faculty and staff have strengthened their teaching through the ADEPT program. Five additional centers will open in 2016, giving students access to practical vocational, business, and IT skills training.

Matter to a Million: Capital and support for global entrepreneurs

About 2.5 billion people, including many would-be entrepreneurs, lack access to mainstream banking services. In 2014, the Hewlett-Packard Company Foundation[1] launched an innovative solution in partnership with Kiva, a nonprofit microlender that connects low-income entrepreneurs to capital. Matter to a Million is a global employee engagement program through which every Hewlett-Packard Company employee received a $25 credit to loan to Kiva borrowers. Farmers, shopkeepers, and other small business owners in more than 80 countries use the money to buy business essentials such as tools, livestock, and supplies.

More than 152,000 Hewlett-Packard Company employees took part through October 2015. Many employees made additional personal donations, and teams often pooled loans to maximize impact. This resulted in more than 345,000 loans, an average of 2.3 per employee participant. Combined with Hewlett-Packard Company Foundation contributions, entrepreneurs received more than $9.8 million in loans through October 2015.

During 2016, HP will continue to empower employees with a $25 credit to support Kiva borrowers.

Matter to one family

Matter to a Million recipient Pao received a Kiva loan to help increase her family's income.

Pao, 43, works long hours at her grocery store in Cambodia's Kandal province. Although her husband also earns some income selling water, they struggle to support their family and save for the future. Three of Pao's four adult children work in a factory to supplement their parents' income. With help from Matter to a Million, Pao and her husband received a $1,300 loan from Kiva to buy cows—and pursue a better life. By breeding and selling calves, they hope to raise enough additional income to send their fourth child to high school.

Transform education

Students at Ramjas School in New Delhi, India, exploring and learning with their HP convertible notebooks

NETa: Better learning outcomes through education technology

To better understand and evaluate the impact of IT in education, Hewlett-Packard Company launched the National Education Technology Analytics (NETa) pilot study in 2014. The company provided three pilot schools in New Delhi, India, Johannesburg, South Africa, and Silicon Valley, California, United States with networked laptops or tablets, classroom displays, printers, and improved broadband capacity, reaching more than 400 students. By continuing this initiative and studying how students use mobile technology to interact in the classroom, we are also gaining important insights into how educators can use data analytics to help transform teaching and learning.

Program highlights during 2015 included:

- In New Delhi, students used their laptops as part of a "peer learning" module, in which they switched between roles as teacher and student. Instructors spent less time explaining topics and more time facilitating deeper, interactive discussions.
- In Johannesburg, students collaborated across activities in a range of learning stations, thinking critically and as a group.
- In Silicon Valley, students used the laptops to conduct research for and collaborate on group projects, speeding up writing and presentation development.

These pilot schools represent one facet of a broader approach HP is developing to create a data ecosystem that provides education leaders and policy makers with insights to improve education in schools. For example, HP is providing consulting support to ministries of education in countries such as Ecuador, Oman, Peru, Rwanda, and the United States. Through the National Technology Readiness Assessments (NETr), HP education experts are embedded inside schools, along with a qualified nonprofit third-party observer organization, to produce recommendations to help shape the education systems in these countries. In 2015, more than 10,000 surveys were administered.

Global CodeWars

HP sponsors CodeWars, a global competition that challenges high school teams from around the world to tackle 20 programming problems in just three hours. In 2015, CodeWars expanded to include locations in India, Spain, Taiwan, the United States, and United Kingdom and more than 2,000 students from around the world took part. Looking ahead, we plan to add regions in the United States and Singapore to the global CodeWars community.

Disaster relief

$1.219 million

in grants to assist with disaster relief and recovery efforts as well as disaster preparedness initiatives

Major natural disasters such as floods and earthquakes can overwhelm communities or entire countries. HP employees, HP, and the HP Foundation provide financial support to bring relief to people around the world when catastrophe strikes.

In 2015, Hewlett-Packard Company Foundation grants to partners totaled $1.219 million to assist with disaster relief and recovery efforts related to the earthquake in Nepal and flooding in Malaysia, as well as disaster preparedness initiatives.

Disaster relief and disaster preparedness, 2015*

Description of contribution	Partners	Amount
Flooding, Malaysia	International Federation of the Red Cross and Red Crescent Societies (IFRC)	$25,000
Earthquake, Nepal	IFRC, American Red Cross (ARC)	$444,000
Disaster Responder Program	ARC	$250,000
Education in Emergencies Program	Save the Children	$500,000
Total		**$1,219,000**

* The totals shown in this table represent the total donation per disaster, to the nearest $1,000, and may span multiple fiscal years. Figures include employee donations as well as matched funds and grants from the Hewlett-Packard Company Foundation.

HP Connection Spot

The HP Connection Spot provides emergency connectivity and IT resources in response to disasters.

Funded by the Hewlett-Packard Company Foundation, the HP Connection Spot is a custom-built trailer that can be quickly deployed to provide emergency connectivity in times of need. Powered by a generator, it is outfitted with HP laptops, printers, and cameras/microphones. The unit has Skype capability and is wireless- and broadband-enabled to provide network access to users. It is also equipped with self-service device recharging stations.

The HP Connection Spot, developed in 2015, is staffed by HP volunteers and can be deployed in the United States within 72 hours after a disaster, once the need for communications support has been identified.

Data

Supply chain responsibility

	2011	2012	2013	2014	2015
Suppliers engaged in SER program [total, cumulative]	907	958	969	975	984
Suppliers publishing sustainability reports using the GRI framework* [% of production supplier spend]	66%	82%	74%	72%	85%
Capability building					
Number of capability-building programs	12	12	12	15	11
Number of worker empowerment programs	7	8	10	10	8
Workers and managers reached through capability-building and worker empowerment programs** [cumulative]	120,700	310,000	441,400	533,300	611,100
Workers' rights					
Suppliers' employees working less than 60 hours per week on average*** [%]			83%	84%	88%
Suppliers' employees receiving at least one day of rest each seven-day workweek*** [%]			89%	91%	96%
Suppliers in China with student workers representing 20% or less of total employees*** [%]			96%	94%	91%
Zero-tolerance audit findings related to the ILO Declaration on Fundamental Principles and Rights at Work: freedom of association; forced, bonded, or indentured labor; child labor; or discrimination†	0	0	1	0	1
Zero-tolerance audit findings related to occupational safety, emergency preparedness, or industrial hygiene††	0	0	5	5	5
Workers at sites audited††† [total, cumulative]	532,600	636,700	878,200	1,013,500	1,060,200
SER audits and assessments conducted‡ [total, cumulative]	773	921	1,094	1,307	1,499
Initial audits	334	413	467	512	542
Follow-up audits	345	390	443	496	539
Full re-audits	94	118	150	193	230
Assessments	0	0	34	106	188
Rates of major nonconformance of sites audited (see page 110)					
3TG smelters or refiners reported in HP's supply chain‡‡					
Not yet participating				120	61	44
In process‡‡‡				21	44	38
Compliant‡‡‡‡				60	152	215
Hewlett-Packard Company's spend with U.S. diverse suppliers^ [$ million]					
Small businesses	$4,400	$4,792	$3,910	$3,376	$2,467
Minority-owned businesses^^	$733	$989	$881	$965	$513
Women-owned businesses^^	$476	$547	$536	$550	$403
Veteran-owned businesses, service disabled veteran-owned businesses, HUBZone businesses, and others^^^				$141	$127
Amount spent by Hewlett-Packard Company strategic suppliers^^^^ on diverse suppliers^^^^^ [$ million]	$318	$498	$431	$610	$440

* This figure may be lower in years with larger numbers of new suppliers, which often do not publish sustainability reports; HP motivates suppliers to develop more mature SER practices, including GRI-based reporting.

** With the exception of train-the-trainer programs, HP only accounts for workers and managers directly reached by our capability-building programs. Number of workers and managers 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 Hewlett-Packard Company KPI program and audit results. We continue to expand the list of suppliers in the KPI program based on business risk, country risk, and identified nonconformances.

† 2015 findings relate to labor rights. See page 84.

†† 2015 findings relate to emergency preparedness and industrial hygiene. See page 84.

††† Number of workers as of the date of the site visit per the production and nonproduction initial supplier audit reports.

Rates of major nonconformance of sites audited*

HP Supplier Code of Conduct category/provision	Global	Greater China	Asia Pacific	Americas	Europe**
Labor					
Freely chosen employment management systems	19%	28%	15%	0%	0%
Presence of forced labor	3%	3%	8%	0%	0%
Young worker protection management systems	9%	17%	0%	0%	0%
Presence of child labor	0%	0%	0%	0%	0%
Working hours	63%	92%	38%	15%	0%
Wages and benefits	27%	47%	0%	0%	0%
Humane treatment	2%	3%	0%	0%	0%
Nondiscrimination management systems	11%	19%	0%	0%	0%
Presence of discriminatory practices	0%	0%	0%	0%	0%
Freedom of association	11%	11%	15%	8%	0%
Health and safety					
Occupational safety	38%	53%	0%	38%	0%
Emergency preparedness	47%	56%	23%	46%	50%
Occupational injury and illness	30%	36%	15%	31%	0%
Industrial hygiene	22%	28%	0%	31%	0%
Physically demanding work	16%	14%	0%	38%	0%
Machine safeguarding	14%	17%	8%	15%	0%
Dormitory and canteen	31%	36%	31%	23%	0%
Health and safety communication	2%	3%	0%	0%	0%
Environmental					
Environmental permits and reporting	22%	36%	0%	8%	0%
Pollution prevention and resource reduction	5%	8%	0%	0%	0%
Hazardous substances	38%	44%	15%	46%	0%
Wastewater and solid waste	5%	3%	0%	15%	0%
Air emissions	8%	6%	0%	23%	0%
Storm water management	14%	25%	0%	0%	0%
Energy consumption and GHG emissions	5%	8%	0%	0%	0%
Ethics					
Business integrity	3%	3%	0%	8%	0%
No improper advantage	5%	6%	0%	8%	0%
Disclosure of information	3%	0%	0%	15%	0%
Intellectual property	3%	3%	0%	8%	0%
Fair business, advertising, and competition	6%	8%	0%	8%	0%
Protection of identity	5%	6%	0%	8%	0%
Responsible sourcing of minerals	9%	11%	0%	15%	0%
Privacy	3%	3%	0%	8%	0%
Nonretaliation	3%	3%	0%	8%	0%

HP Supplier Code of Conduct category/provision	Global	Greater China	Asia Pacific	Americas	Europe**
Management system					
Company commitment	3%	0%	0%	15%	0%
Management accountability and responsibility	17%	14%	0%	46%	0%
Legal and customer requirements	8%	11%	0%	8%	0%
Risk assessment and risk management	23%	19%	0%	62%	0%
Performance objectives with implementation plan and measures	13%	8%	0%	38%	0%
Training	5%	6%	0%	8%	0%
Communication	5%	8%	0%	0%	0%
Worker feedback and participation	5%	6%	0%	8%	0%
Audits and assessments	20%	14%	8%	54%	0%
Corrective action process	9%	8%	0%	23%	0%
Documentation and records	6%	6%	0%	15%	0%
Supplier responsibility	28%	28%	15%	46%	0%

* Data is from audits; data from assessments is not included. Audit data does not necessarily represent the same supplier sites as the previous year.

** Results based on two audits.

Employees

	2011	2012	2013	2014	2015
Women employees [% of total]					
Americas	33.3%	33.1%	33.5%	33.3%	33.1%
Asia Pacific and Japan	32.3%	32.6%	33.1%	33.0%	33.5%
Europe, Middle East, and Africa	29.8%	30.0%	30.3%	31.2%	32.0%
Worldwide	32.0%	32.1%	32.5%	32.6%	33.0%
Women managers [% of total]					
Americas	28.7%	30.1%	30.1%	30.7%	30.8%
Asia Pacific and Japan	22.3%	22.2%	21.8%	22.0%	21.8%
Europe, Middle East, and Africa	20.9%	22.4%	23.3%	24.2%	25.8%
Worldwide	24.8%	25.5%	25.6%	26.2%	26.6%
Global new hires, by gender* [% of total]					
Female	32.7%	34.6%	36.2%	35.1%	36.5%
Male	67.3%	65.4%	63.8%	64.9%	63.4%
U.S. new hires, by race and ethnicity** [% of total]					
White	52.4%	64.8%	54.0%	52.1%	44.7%
All minorities	31.1%	34.9%	46.0%	35.1%	29.4%
Black	7.7%	10.8%	11.3%	9.8%	9.0%
Hispanic	6.7%	7.5%	9.1%	6.7%	4.8%
Asian	14.6%	12.6%	15.3%	15.6%	12.9%
Native American	0.4%	0.3%	0.4%	0.4%	0.3%

* Sum of "Female" and "Male" for 2015 does not equal 100% due to a small number of new hires that did not declare a gender.

** Sum of "White" and "All minorities" does not equal 100%, and the sum of "Black," "Hispanic," "Asian," and "Native American" does not equal the total for "All minorities" because some people do not declare or do not fall into these categories. For the purpose of this table, those who did not declare were not included in the analysis nor placed into a default classification.

Employees (regular full time and part time) by region and gender, 2015	Men	Women	Total*
Americas	63,901	31,611	95,531
Asia Pacific and Japan	58,406	29,477	87,947
Europe, Middle East, and Africa	44,876	21,180	66,093
Employees not categorized by region	7	5	12
Other**	–	–	37,417
Total	–	–	287,000

World workforce by age group, 2015*	% of total*
30 and under	23.3%
31–50	57.7%
51 and over	19.1%
Total	100%

* Data do not add up to 100% due to rounding.

* In some cases, the total does not equal the sum of the segments because the gender of some employees is uncategorized.

** This row includes employees of certain majority-owned, consolidated subsidiaries for which this human resource data was not available to Hewlett-Packard Company.

Employees (regular full time and part time) by employment type and gender, 2015	Women	%	Men	%	Total
Full time*					
Executives	199	18.3%	886	81.7%	1,085
Directors	864	22.7%	2,938	77.3%	3,803
Managers	4,911	26.2%	13,797	73.7%	18,709
Professionals	54,131	30.2%	125,249	69.8%	179,456
Other	19,051	45.0%	23,238	54.9%	42,331
Subtotal	79,156	32.3%	166,108	67.7%	245,384
Part time*					
Executives	–	0.0%	5	100.0%	5
Directors	13	38.2%	21	61.8%	34
Managers	107	72.8%	40	27.2%	147
Professionals	2,240	73.2%	821	26.8%	3,061
Other	757	79.5%	195	20.5%	952
Subtotal	3,117	74.2%	1,082	25.8%	4,199
Total					
Other**	–	–	–	–	37,417
Total	–	–	–	–	287,000

* In some cases, the total does not equal the sum of the segments because the gender of some employees is uncategorized.

** This row includes employees of certain majority-owned, consolidated subsidiaries for which this human resource data was not available to Hewlett-Packard Company.

	2011	2012	2013	2014	2015
Lost workday case rate*					
Global	0.09	0.07	0.08	0.07	0.06
Americas	0.13	0.12	0.11	0.10	0.07
Europe, Middle East, and Africa	0.11	0.08	0.11	0.08	0.10
Asia Pacific and Japan	0.01	0.01	0.02	0.03	0.02
Recordable incidence rate**					
Global	0.22	0.20	0.19	0.21	0.14
Americas	0.41	0.36	0.34	0.35	0.24
Europe, Middle East, and Africa	0.17	0.18	0.19	0.19	0.17
Asia Pacific and Japan	0.02	0.01	0.04	0.04	0.03

* Lost workday case rate is the number of work-related injuries that result in time away from work per 100 employees 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 2014 (the most recent year available) for the "Other Information Services"–NAICS #519 industry was 0.2. Americas includes incidents occurring in Argentina, Brazil, Canada, Colombia, Costa Rica, and the United States. Asia Pacific and Japan includes incidents in Australia, India, Japan, Malaysia, New Zealand, and Singapore. Europe, Middle East, and Africa includes incidents in Austria, Belgium, Bulgaria, Czech Republic, France, Germany, Hungary, Ireland, Israel, Italy, Poland, Portugal, Spain, Switzerland, and the United Kingdom.

** 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 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 2014 (the most recent year available) for the "Other Information Services"–NAICS #519 industry was 0.4. Americas includes incidents occurring in Argentina, Brazil, Canada, Colombia, Costa Rica, Puerto Rico, and the United States. Asia Pacific and Japan includes incidents in Australia, India, Japan, Malaysia, New Zealand, Philippines, and Singapore. Europe, Middle East, and Africa includes incidents in Austria, Belgium, Bulgaria, Czech Republic, France, Germany, Hungary, Ireland, Israel, Italy, Netherlands, Poland, Portugal, South Africa, Spain, Switzerland, and the United Kingdom.

	2013	2014	2015
Leading causes of lost workdays			
Slips, trips, and falls	38%	42%	42%
Struck by/against/cut by	10%	13%	13%
Ergonomics—materials handling	18%	10%	13%
Automobile accidents	18%	15%	11%
Overexertion—not materials handling	1%	4%	7%
Leading causes of recordable incidents (with and without lost time)			
Slips, trips, and falls	30%	35%	35%
Struck by/against/cut by	13%	14%	14%
Ergonomics—office environment	16%	16%	13%
Ergonomics—materials handling	17%	10%	12%
Automobile accidents	11%	11%	11%

Communities

Total social investment spend	2011	2012	2013	2014	2015
Social investment* [$ million]	$51.5	$118.6	$135.3	$119.0	$89.6
Cash	$20.3	$22.3	$23.8	$20.8	$17.1
Products and services**	$31.2	$96.3	$111.5	$98.2	$72.5
Social investment*** [% of pretax profits]	0.57%	Not applicable	2.08%	1.81%	1.89%
U.S. employee participation in Cash Matching Program and Product Matching Program [number of employees]					
Cash Matching Program	7,000	7,100	8,600	6,200	9,000
Product Matching Program	1,700	1,600	2,700	900	0
Contributions to Cash Matching Program and Product Matching Program** [$ million]**	$12.0	$12.4	$13.3	$10.4	$9.3
U.S. employee contributions to Cash Matching Program	$3.8	$4.2	$4.9	$4.4	$4.8
Hewlett-Packard Company Foundation contributions to Cash Matching Program	$3.1	$3.5	$3.9	$3.6	$4.4
U.S. employee contributions to Product Matching Program†	$1.3	$1.2	$1.1	$0.6	$0.0
Hewlett–Packard Company contributions to Product Matching Program†	$3.8	$3.5	$3.4	$1.9	$0.0

* Social investments include all grants made to nonprofit organizations from Hewlett-Packard Company and the Hewlett-Packard Company Foundation, plus the valuation of employee volunteer hours. Data excludes contributions to the Hewlett-Packard Company Foundation and employee donations but includes Hewlett-Packard Company's matching contributions and contributions from the Hewlett-Packard Company Foundation to other organizations. Some segments do not add up to total due to rounding.

** Product donations are valued at the Internet list price. This is the price a customer would have paid to purchase the equipment through the Hewlett-Packard Company direct sales channel on the Internet at the time the grant was processed. Services include the valuation of Hewlett-Packard Company employee volunteer hours. Valuation rates are based on CECP standards. The numbers in 2012–2015 are considerably higher than past years due to increased employee programs and more complete volunteer hour data.

*** In FY12, Hewlett-Packard Company recorded a pretax net loss, therefore a percentage of pretax profits cannot be calculated for that year.

**** Fiscal year totals vary based on the payment cycle completing after the fiscal year end. Does not reflect donations made to disaster relief efforts.

† The year-over-year decrease in U.S. employee contributions to the Product Matching Program and Hewlett-Packard Company contributions to the U.S. Product Matching Program after FY13, was due to the fact that the U.S. Product Matching Program was put on hiatus after the second quarter of FY14.

Integrity

HP is committed to always acting with integrity, fairness, and accountability, which are fundamental to an inclusive society and a thriving business. We are uncompromising in our expectations of ethical behavior by our employees, partners, and suppliers. We have structures, programs, and processes in place to safeguard human rights across our value chain.

Corporate ethics

At HP, how we do things is as important as what we do. Integrity is the foundation of our business and our promise to customers and all our stakeholders. To earn and maintain their trust, we hold everyone at HP to the highest ethical standards. Our Standards of Business Conduct (SBC) outline expected behavior, supported by additional targeted policies, robust governance structures, comprehensive employee training and communication, and open-door reporting and world-class investigation procedures.

HP is committed to complying with all applicable laws and regulations everywhere we operate. Beyond our own operations, we use our scale and influence to encourage and support ethical behavior by our suppliers, partners, and the broader IT industry. Read more in Supply chain responsibility and Human rights.

Our Codes of Conduct

Employees: HP's Standards of Business Conduct (SBC), available in 25 languages, sets clear expectations of behavior for all employees globally, and provides guidance to those employees who are faced with an ethical dilemma.

U.S. public sector employees: U.S. Public Sector Code of Conduct

Contingent workers: Contingent Worker Code of Conduct (available in 25 languages)

Suppliers: HP Supplier Code of Conduct

Partners: Partner Code of Conduct (available in 26 languages)

Sustainability: HP Sustainability Policy (incorporating key elements of Hewlett-Packard Company's Human Rights Policy)
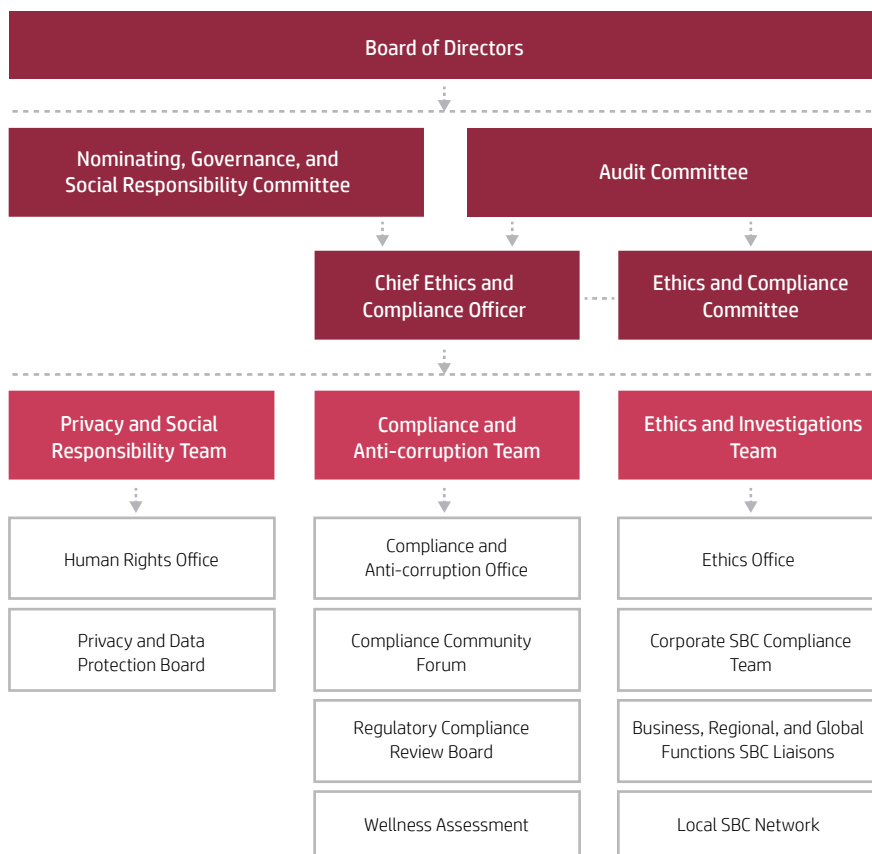

Governance

Clear lines of authority and oversight are a hallmark of good governance. Following the separation of Hewlett-Packard Company into two independent, publicly traded companies in November 2015, HP Inc. launched with a strong executive leadership team headed by Dion Weisler as President and Chief Executive Officer.

The HP Board of Directors, which bears ultimate oversight for ethics and compliance, is chaired by Meg Whitman, who served as President and Chief Executive Officer of the combined company prior to separation. The board's Audit Committee provides nonexecutive input and guidance to the Ethics & Compliance Office. The Nominating, Governance and Social Responsibility Committee is responsible for overseeing our sustainability initiatives under the three pillars of environment, society, and integrity. The Ethics and Compliance Committee provides executive level oversight and guidance on the design and implementation of HP's ethics and compliance program.

HP's Ethics and Compliance Office, within Global Legal Affairs, manages ethical issues on a day-to-day basis across our global operations. Its responsibilities include oversight of our SBC, the human rights program, and the design of processes that prevent, mitigate, and remediate related business impacts.

See HP's Governance page for more information about the board's composition, its committees and respective charters, our company bylaws, and our Corporate Governance Guidelines.

Ethics and compliance governance structure

Board of Directors

Nominating, Governance, and Social Responsibility Committee	Audit Committee

Chief Ethics and Compliance Officer	Ethics and Compliance Committee

Privacy and Social Responsibility Team	Compliance and Anti-corruption Team	Ethics and Investigations Team
Human Rights Office	Compliance and Anti-corruption Office	Ethics Office
Privacy and Data Protection Board	Compliance Community Forum	Corporate SBC Compliance Team
	Regulatory Compliance Review Board	Business, Regional, and Global Functions SBC Liaisons
	Wellness Assessment	Local SBC Network

Reporting ethics concerns

Open-door approach

HP maintains a strong culture of open communication and transparency. We encourage anyone with a concern to speak up without fear of retaliation. Multiple communication channels make it convenient for employees and other stakeholders, such as workers in supplier factories, business partners, or customers, to ask questions or report a concern. These options include email, an online form, in person, and a global 24-hour toll-free hotline with translators available. Reporting can be anonymous where allowed by law, and we provide prompt followup and responses.

In addition, employees can reach out at any time to their immediate supervisor or more senior managers, seek advice from internal ethics and compliance experts, or consult regional or business SBC liaisons.

Read more about how to ask a question or report a concern.

Items reported to Hewlett-Packard Company global SBC team or other compliance functions, 2011–2015*
percentage of total

Total number of reported items in 2015: 1,208

	2011	2012	2013	2014	2015
Human resources	42%	39%	40%	31%	41%
Misuse of assets	10%	12%	18%	26%	21%
Conflicts of interest	8%	13%	9%	10%	9%
Fraud	9%	8%	7%	8%	8%
Anti-corruption**			3%	3%	3%
Confidentiality	6%	4%	4%	3%	2%
Customer relationships	3%	4%	4%	3%	0%
Sales channel violations	3%	1%	2%	2%	1%
Financial and public reporting	2%	2%	2%	2%	3%
Competition	3%	3%	1%	1%	1%
Workplace security and theft**			9%	11%	10%
Other	14%	14%	1%	1%	2%

 * Some segments do not add up to total due to rounding.

** The Anti-corruption and Workplace security and theft categories were separated from the Other category beginning in 2013 to increase transparency. The Anti-corruption category is broadly defined and includes allegations of commercial bribery, kickbacks, and certain Global Business Amenities Policy violations, as well as alleged corruption related to foreign public officials.

Investigating concerns

We take alleged violations seriously and respond quickly, with disciplinary or remedial actions where appropriate. Representatives from legal, controllership, and human resources participate in local investigations. A dedicated corporate team in Global Legal Affairs oversees escalated investigations.

To monitor and manage emerging risks, we record allegations of ethical violations in a global case management system. This allows us to spot potential business and geo-graphical trends and determine whether additional controls are necessary.

Maintaining an ethical culture

To uphold a culture of ethical behavior and accountability we prioritize employee train-ing, communications, and recognition.

Annually, each HP employee must complete an SBC training course, which covers key policies and procedures, ethics topics, and high-risk issues. Board members take SBC training every two years, and are scheduled to do so in 2016. The Ethics & Compliance Office and other members of HP's Global Legal Affairs team provide tailored guidance and training to frontline employees and partners in higher-risk countries, including face-to-face instruction for employees.

HP takes pride in employees who make the right decision. Each quarter, through our Ethics Champions Recognition program, we celebrate individuals or teams that demonstrate ethical leadership or model HP values. In 2015, Hewlett-Packard Company recognized seven employees through this initiative for their standout contributions, and shared their stories in the company-wide Integrity Matters newsletter.

In 2015, Hewlett-Packard Company engaged employees through social media-style communications and trainings. Moving forward, HP will explore additional strategies for delivering information to employees.

Combating corruption

Corruption is a business risk that undermines our values, disrupts fair competition, and threatens customer trust. HP has zero tolerance for corrupt behaviors, including bribery and kickbacks.

Our Anti-corruption compliance program requires our employees, business partners, and suppliers to comply with all applicable laws and regulations including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and drives adherence to HP's standards, including:

- Anti-corruption Policy, which establishes our ethical behavior expectations for HP directors, officers, and employees worldwide. Where national laws prescribe more restrictive rules, those rules also apply.
- Global Business Amenities Policy, which outlines what is acceptable in terms of giving and receiving gifts, meals, travel, and entertainment or other forms of hospitality to or from third parties, as well as the required preapproval process.

99.97%
of active employees, including every senior executive, completed a one-hour SBC training course in 2015

As corruption-related risks arise, we work to control them and make doing so easier for employees. In 2015, we created an IT system to streamline approvals related to business amenities, and will continue to improve screening, approvals, and training in this area moving forward.

Audits and best practices

HP employs strict due diligence procedures to assess high risk regions and third-party business partners. Using internal data and Transparency International's Corruption Perceptions Index, we identify high-risk countries and elevate employee awareness of potential issues. We also benchmark our approach against peer companies to identify best practices. This informs how we prioritize employee education and training, reassess our own operational procedures, and better scrutinize the operations of our suppliers and partners.

Auditing our operations and those of our business partners is an important control to guard against corruption. During 2015, Hewlett-Packard Company conducted numerous audits focused on potential corruption risks, including audits of our own operations as well as business partners. All of Hewlett-Packard Company's business units were assessed for risks related to corruption during the year. In 2015, Hewlett-Packard Company continued to expand due diligence to include other third parties, including controls related to sales intermediaries or "agents," suppliers, lobbyists, and the rescreening of existing channel reseller partners. We continued to perform enhanced anti-corruption due diligence on business partners and suppliers with high-risk profiles.

Anti-corruption training

Communication and training reinforce anti-corruption policies and foster a culture of integrity throughout our company.

Anti-corruption is a key element of the annual SBC refresher training course for all employees, and we also provide specialist training to staff in sensitive jobs. For example, in 2015:

- More than 10,700 Hewlett-Packard Company staff worldwide received specialist training in 23 live (face-to-face and virtual) sessions.
- The company expanded scenario-based training and online courses to a wider employee audience, including those in sales, finance, and public sector. Participation grew from 26,000 sales employees in 2014 to more than 70,000 in 2015.
- More than 30,000 employees completed training tailored to the unique requirements of conducting business with the U.S. government.
- Legal and finance employees who review and approve business amenities received training on the Global Business Amenities Policy and the Amenities Approval Tool.

In 2015, Hewlett-Packard Company increased focus on ethics and compliance for new employees to emphasize a culture of integrity at the beginning of employment. We require all new hires to complete the SBC training and targeted individuals to complete the anti-corruption training as part of their ethics and compliance induction process. We conduct global messaging year-round to reinforce compliance policies, controls, and training, which is intensified around critical business times.

10,700+

Hewlett-Packard Company staff worldwide received specialist anti-corruption training in 23 live (face-to-face and virtual) sessions

Foreign Corrupt Practices Act resolution

In April 2014, HP entered into a settlement with the U.S. Department of Justice (DOJ) and Securities and Exchange Commission (SEC) to resolve a case regarding the actions of a small number of lower-level employees at three foreign Hewlett-Packard Company subsidiaries in Russia, Poland, and Mexico.

Corporate ethics
2016 goals

- Continue to improve the amenities screening and approval process and related training.
- Develop, implement, and enhance controls tailored to HP's corruption risks.
- Continue to improve and enhance U.S. public sector business controls.
- Maintain greater than 99% completion rate of annual SBC training among active HP employees and the Board of Directors.
- Streamline the SBC investigations process to increase speed and transparency.
- Tailor ethics communications and tools to align with HP's culture and ensure that our values are carried forward and upheld.

Privacy

Privacy is a basic right and freedom to which everyone, everywhere is entitled. As technology rapidly evolves and data generation and sharing grows at an explosive pace, safeguarding the privacy of personal information presents critical challenges for HP and our industry. HP recognizes the fundamental importance of privacy, security, and data protection to our customers and employees. To safeguard their rights, we give top priority to protecting both our own data and the personal information entrusted to us by customers.

Our approach involves relationships with a wide range of stakeholders, both internal and external to our operations. We strive to provide protections that exceed legal minimums and deploy consistent global policies and procedures. Privacy and information security controls protect personal information transmitted to and from our customers, consumers, and business partners. To counter the growing number and increased sophistication of global cyberattacks and to enable our customers to safeguard the security of their own operations, we offer market-leading technologies, products, and solutions that provide high levels of security protection. We also advocate globally for effective, compatible privacy frameworks and share best practices with peers, governments, and other stakeholders. Through these efforts and commitments, we give our employees and customers the confidence that HP technology can be used freely and securely to do amazing things.

Looking to the future, people will interact with technology in ever-changing ways. Innovations such as the Internet of Things, wearable technology, and immersive computing will require similarly inventive tools to protect people's privacy. As new privacy and security issues arise, HP will keep pushing ahead with cutting-edge solutions that help our customers safely take advantage of the transformative benefits of technology.

HP's commitment to privacy:

- We only collect personal information to support reasonable business requirements, and do not sell, rent, or lease the information that we collect.
- We give people notice and choice about the type of personal information we collect and its intended uses, and we don't use that information for other purposes.
- We strive to ensure that all applicable personal information is accurate, complete, and current, and we give people reasonable access so they can review and correct it, as needed.
- We protect personal information against unauthorized use or disclosure, and apply additional protection for sensitive data.
- We don't transfer personal information to others unless they promise to give the data the equivalent level of protection that HP provides.
- We address complaints or disputes regarding personal information promptly and courteously.

Strategy, standards, and engagement

We are committed to safeguarding the data we collect, analyze, store, transfer, and process. Strong global privacy controls and standards are supported and enabled through robust data security.

The HP Privacy Accountability Framework is our company-wide approach for assessing and managing risks associated with collecting and handling personal data. The Framework goes beyond minimum legal requirements, ensures transparent practices, and takes into account our company values, ethical considerations, contractual agreements, and local cultures. Privacy training is a key part of our mandatory Standards of Business Conduct (SBC) annual refresher course, completed by 99.97% of active employees in 2015. Rigorous policies and procedures ensure that employees protect and maintain the personal data we hold or process.

Data security

In information technology, strong data security and privacy go hand in hand. Our Cybersecurity Office provides and maintains the guidance, governance, processes, resources, and vendor relationships necessary to protect customer and employee information from unwanted access, security threats, and cyberattacks. In the event of an incident, our Cybersecurity Office also oversees the incident response processes to address and resolve such incidents as swiftly as possible. Our Privacy Office provides clear guidance as to the types of personally identifiable information for which HP has an obligation to ensure a right to privacy. Our Cybersecurity Office defines the controls necessary to provide this type of protection, and our IT partners and vendors deliver the technology necessary to support these aims. This strong focus on security underpins our ability to uphold our commitment to privacy.

Customer privacy through the separation

HP is committed to upholding transparency and choice for our customers worldwide. During 2015, Hewlett-Packard Company confirmed the confidence of its customers through a vast undertaking to communicate directly with every customer about their privacy rights during the company separation.

As Hewlett-Packard Company separated into two companies and prepared to transfer existing customer data from one company to two, it notified customers of its intent to separate and affirmed that they would receive the same level of protection at each company. Customers also received the choice to "opt out" of having their data transferred during the separation process. Notifications were sent to 38 million Hewlett-Packard Company customers and less than 1% of those opted out of their information being retained by either company.

Global compliance in privacy

HP invests significant resources in managing privacy risks across the company. We monitor compliance with applicable privacy laws and our own privacy policies and processes through ongoing internal reviews. All relevant business units are required to follow HP privacy policies and develop remediation plans when problems arise. The HP Privacy and Data Protection Board (PDPB), consisting of executive representatives from across our business units and functions, is designed to oversee these compliance efforts, assess risks annually, and design and lead mitigation strategies.

In developing HP's privacy policies and standards, we consider the major principles and frameworks in place around the world. These include the Organization for Economic Cooperation and Development (OECD) Guidelines on the Protection of Privacy and Transborder Flows, the EU Directive 95/46/EC, the Asia-Pacific Economic Cooperation (APEC) Privacy Framework, and the Madrid Resolution on International Privacy Standards. We also monitor development of new regulatory instruments, such as the pending EU General Data Protection Regulation, for which HP has begun the compliance preparation process.

HP tracks the number of substantiated complaints of third parties about customer privacy and data, as shown in the table.

Number of substantiated complaints regarding breaches of customer privacy and losses of customer data at Hewlett-Packard Company, 2013–2015*

	2013	2014	2015
Substantiated complaints from outside parties (including customers)	0	6**	2
Substantiated complaints from regulatory or other official bodies	0	0	0

* 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.

** In two separate incidents emails containing nonsensitive data were sent to a number of recipients in error and several customers reported this to Hewlett-Packard Company. These multiple notifications have been treated as one complaint for the purposes of this report.

Contacting our Privacy Office

We greatly value our customers' opinions and encourage them to contact our Privacy Office with any concerns about how we collect and use their data, or questions and comments about our HP Privacy Statement or the HP Global Master Privacy Policy. We respond to customers and resolve complaints in a timely and appropriate way.

Code of ethics for big data

The rapid evolution in global data collection and analysis brings many benefits to consumers, business, and society. "Big data" are the vast informational inputs that business and governments analyze to draw correlations, produce insights, and inform strategy. As HP increasingly moves into service-based business models and designs solutions to meet the needs of the "internet of things," we must understand how to analyze and process this type and volume of data in an ethically compliant way.

To protect individual rights, big data collection and use must be governed in a legal, fair, and just way based on ethical considerations. Under the leadership of the Information Accountability Foundation (IAF), HP works closely with regulators, other companies, and the privacy community to develop and champion The Big Data Ethical Framework Initiative. This groundbreaking collaboration creates practical tools to guide companies and other organizations in how they collect, analyze, and use big data, and will help guide our approach moving forward. In 2015, Hewlett-Packard Company continued to collaborate with IAF on the project.

Regulatory engagement on privacy

Our privacy and government relations teams work with governments around the world to support robust and globally interoperable privacy regulations. Our objective is to reform outdated and fragmented privacy laws and regulations that have not kept pace with technology advances. We advocate for accountability-based requirements for both the public and private sectors to enhance data protection.

As a global company, we collect information from customers worldwide, but our IT processing capabilities are centralized. The secure movement of data is essential to our business, and we advocate for mechanisms that enable us to easily and securely move data while maintaining privacy standards. We encourage any cybersecurity legislation and regulations to be voluntary and nonprescriptive, align with global standards, and not require disclosure of intellectual property in exchange for compliance certification. We also discourage geographic restrictions and country-specific technical standards as part of cybersecurity policies.

Europe: In October 2015, the European Court of Justice (ECJ) struck down the EU-U.S. Safe Harbor, an international agreement regulating how U.S. companies export and handle the personal data of European citizens. The ruling affects thousands of companies that must now rely on alternative legal mechanisms to securely move data across the Atlantic.

Due to the strength of HP's internal frameworks and accountability mechanisms for privacy, the impact of the ECJ's decision on HP has been minimal. Prior to the decision, Hewlett-Packard Company had prenegotiated binding corporate rules (BCRs) with the EU and model contractual clauses with clients, allowing us to continue to move the data we control with minimal disruption. By proactively achieving the regulatory certification, the company maintained its ability to operate in strategic markets. HP remains among less than 90 companies worldwide recognized by EU data protection authorities for our binding corporate rules.

In 2015, Hewlett-Packard Company also worked with the European Commission to develop the General Data Protection Regulation (GDPR), which contains important new requirements for business on privacy protection.

HP is well positioned to comply with the GDPR when it becomes effective in 2018.

Asia Pacific: The Asia-Pacific Economic Cooperation (APEC) of 21 economies implements the Cross-Border Privacy Rules (CBPR) System, which provides privacy protections for transfers of personal information across the region. In 2015, Hewlett-Packard Company worked with APEC to develop Privacy Recognition for Processors (PRP) as part of the regulatory system. Companies seeking CBPR certification often use data processors, and the PRP will enable accountability agents to review those organizations' privacy programs and practices.

Americas: HP supports new rules for the outdated U.S. Electronic Communications Privacy Act (ECPA) that will safeguard end-user privacy and provide clarity for information and communications technology service providers, particularly cloud services. As a part of this effort, we advocate for the Law Enforcement Access to Data Stored Abroad (LEADS) Act, which aims to prevent U.S. government agencies from accessing personal data on U.S. corporate servers abroad.

In Latin America, HP supports the Ibero-American Data Protection Network (RIPD), a group of regulators working to strengthen personal data protection and secure exchange of information. We collaborate with the RIPD and regional regulatory authorities to deepen understanding of the challenges that new technologies pose for effective data protection and the practical application of privacy regulations.

Secure products

With the number of cyberattacks growing at a rapid pace and with increasing sophistication, protecting against security breaches is an ongoing challenge for many of our customers.

Our products and solutions are engineered with integrity. From the design phase through the product use phase, refurbishment, and recycling, HP provides market-leading products and services that our customers can trust to provide high levels of privacy and security protection. We deliver robust device, data, and document security by building new capabilities directly into our printers and personal systems.

Printers

HP LaserJet Enterprise MFP M527dn

In 2015, HP launched the world's most secure printers,[1] the HP LaserJet Enterprise M506 series, the HP MFP M527 series, and the HP MFP M577 series. These models include the following industry-leading security features[2] that defend network entry points and guard against intrusions:

- HP Sure Start: enables detection of and self-healing recovery from malicious BIOS attacks.
- Whitelisting: allows only known firmware to be loaded and executed on these printers.
- Run-time Intrusion Detection: provides in-device memory monitoring for malicious attacks.

These features will be standard on new HP LaserJet Enterprise printers and HP OfficeJet Enterprise X printers with HP PageWide Technology moving forward.

We also offer customers HP JetAdvantage Security Manager,[3] an industry-leading printer security compliance solution.[4] This technology enables a company's IT staff to establish and maintain security policies and features, including by closing ports, disabling access protocols, auto-erasing files, and more. Upon reboot, the HP Instant-On Security feature checks and resets any impacted settings automatically to bring devices into compliance with the organization's policy. HP JetAdvantage Security Manager also offers auto-discovery of devices to make it easier to find and add printers to manage.

Personal systems

Data is at the heart of every business, and HP technology helps our customers ensure that data stored and shared via their personal systems is protected. We build a high level of security into our devices to make them less prone to cyberattacks. HP's Client Security Software tools are fully integrated and preinstalled in HP commercial Elite and Pro series for out-of-the-box functionality. Our Basic Input/Output System (BIOS) security has protected the HP Elite line of PCs since 2006, and now provides the industry's only self-healing BIOS technology, HP Sure Start. HP Drive Encryption technology and self-encrypting drives (SED's) prevent unauthorized access to data. Ensuring that data is only accessible by its intended audience also requires robust identity-verification technologies. HP includes enhanced identity and authentication technologies, such as secure Fingerprint Readers, Face Recognition, and Smart Card Readers on our Elite line of PCs. If a device is lost or stolen, HP Touchpoint Manager, a cloud-based management solution, enables users to find, lock, and securely erase any device.

Secure operations

Our Cybersecurity Office drives HP's efforts to protect our information systems from security threats and cyberattacks. This group provides and maintains the guidance, governance, resources, and vendor relationships necessary to keep our processes and systems secure. The Office's priorities include preventing unwanted access to and navigation through our information systems, ensuring the quick detection and containment of unwanted intrusions, and supporting the overall protection of HP's critical assets, including our intellectual property and reputation, as well as data held for our customers. We strive to make the reporting of breaches to our systems easy and swift, and maintain the processes to address these accordingly when they arise. All related activities are monitored, tracked, and reported to the relevant leadership on a regular and ongoing basis.

1

Human rights

Our respect for human rights is a core value, essential to the way we do business. We have an uncompromising stance on human rights across our value chain and our influence touches many communities worldwide. We engage extensively with our suppliers to protect workers and improve labor standards. In our own operations, we promote a diverse and inclusive culture and have zero tolerance for discrimination of any kind among our employees. For our customers, HP is committed to delivering a data-rich society where personal privacy is protected.

Human rights policies and practices are embedded in all three pillars of our Sustainability Strategy—environment, society, and integrity. Following the company separation, HP Inc. is maintaining the same strong position on human rights, adopting the key elements of Hewlett-Packard Company's human rights policy directly into our HP Sustainability Policy.

Managing human rights

Human rights are the fundamental rights, freedoms, and standards of treatment to which all people are entitled. They are outlined in international conventions, declarations, and treaties, including the United Nations (UN) Universal Declaration of Human Rights (UDHR). Our approach to respecting human rights aligns with the UN Guiding Principles on Business and Human Rights. HP is also a signatory to the UN Global Compact, which includes several principles in this area.

To put our commitments into practice, we conduct risk assessments and due diligence on business activities that have the potential to impact human rights. We monitor our activities and risks, and swiftly remedy problems when they occur.

In 2015, Hewlett-Packard Company embedded human rights risk assessment into the overall corporate compliance assessment process covering 11 corporate functions and business groups. From this assessment, top human rights risks facing the company were identified, including labor practices of production suppliers and the privacy of customer data. HP will continue to build on this work to monitor and address top human rights risks across our value chain.

We want to hear and resolve concerns from our employees and other stakeholders. HP provides access for our own and supplier employees, customers, and other rights holders to file and seek resolution of grievances through an anonymous reporting channel. See Corporate ethics for additional detail.

In November 2015, Amnesty International reported that some cobalt sourced from the Democratic Republic of the Congo was mined using child labor. Their report indicated that some of the intermediate companies are in HP's supply chain. The use of child and forced labor is unacceptable to HP. We appreciate the important efforts of Amnesty International to raise global awareness of the risks of human rights violations in artisanal cobalt. After conducting an investigation with all of our battery-related suppliers, we have determined that the identified smelter (Huayou Cobalt) associated with Amnesty International allegation had not contributed to our products.

To encourage transparency and engagement on human rights, including implementation of the UN Guiding Principles on Business and Human Rights, in 2015 Hewlett-Packard Company participated in the Business & Human Rights Resource Centre's company action platform cross-industry benchmarking tool.

Strengthening safeguards against human trafficking

In 2015, the U.S. government made important amendments to the U.S. Federal Acquisition Regulation aimed at combating human trafficking. The following actions were implemented by Hewlett-Packard Company and will be carried forward by HP:

- Revised relevant policies (Supply Chain Foreign Migrant Worker Standard, U.S. Public Sector Anti-Human Trafficking Policy) and company recruiting processes to align with the government's policy
- Developed and embedded a contract clause that extends the government's policy to relevant suppliers and contractors
- Created and deployed an anti-human trafficking awareness training module for Human Resources

In addition, HP continues to implement our industry-leading Supply Chain Foreign Migrant Worker Standard. Established in 2014, the standard helps prevent exploitative labor practices and forced labor by requiring HP suppliers to directly employ foreign migrant workers. In 2015, Hewlett-Packard Company trained suppliers in Southeast Asia on the new requirements, expanded training for regional internal auditors to detect potential risks, and monitored supplier compliance through self-assessment questionnaires and detailed on-site assessments.

Technology and human rights

The power and reach of IT is advancing society and improving the lives of people worldwide. However, such technology can also be used for unintended purposes or in contexts that potentially impact human rights. HP abides by all relevant sanctions, restrictions, and embargoes imposed by national governments or international organizations in its business operations worldwide. When we identify a potential risk of human rights impacts from our business relationships, we follow our rigorous human rights due diligence process. When others make allegations linking our business to adverse human rights consequences, we investigate the claims in line with our HP Sustainability Policy. Wherever we can exert influence to mitigate alleged human rights impacts we do so.

Hewlett-Packard Company received inquiries in 2015 alleging that it was linked to human rights impacts as a consequence of its business relationship with the Government of Israel. Based on investigations and the scope of technology and services provided, Hewlett-Packard Company believed its actions were consistent with its policies.

Partnering on human rights

HP carried forward a long record of respecting and advocating for human rights, not only within our company but also across the IT sector and beyond. We will continue to promote respect for human rights in public forums, collaborating with a wide range of stakeholders including governments, NGOs, and other businesses. Through these partnerships, we demonstrate leadership, expand our human rights influence, and work toward consistent standards in our industry.

In 2015, Hewlett-Packard Company contributed to the following initiatives. HP Inc. will also participate in these efforts moving forward.

- BSR Human Rights Working Group
- Electronic Industry Citizenship Coalition (EICC)
- Global Business Initiative on Human Rights
- Social Accountability International Advisory Board
- U.S. National Action Plan on Responsible Business Conduct
- U.S. Stakeholder Advisory Board on the OECD Guidelines for Multinational Enterprises

Government relations

HP advocates for a future where technology fosters new creative industries, blends the physical and digital worlds, revolutionizes manufacturing, and improves access to healthcare and education.

We share our deep industry expertise with government officials and regulators to advocate for effective policies across a broad agenda, including intellectual property rights; market access; privacy, data protection, and security; social responsibility; sustainability and compliance; and taxation and economic incentives. We bring a unique perspective to policy development that encourages job creation, innovation, and sustainability.

Our approach to advocacy builds on a strong history of engagement. Our in-house Government Relations team leads this effort by working directly with policy makers and collaborating with national and international trade associations and others in the private sector.

Our advocacy work complies with all applicable national and international laws, as well as our own strict Standards of Business Conduct.

Policy priorities

Intellectual property rights

Intellectual property protection is essential to innovation. Each year, HP invests significant resources to continue to develop cutting-edge technology products and drive the next waves of innovation. Protection of HP's intellectual property (IP), including our more than 18,000 patents, is vital to our business success. We protect this IP, our R&D investments, and our customers by working to eliminate counterfeit products, supporting balanced U.S. patent reform, and advocating for alternatives to copyright levies.

Counterfeit IT products remain a critical global challenge for HP, as counterfeiters operate in virtually every region and economy, and target our very visible and highly regarded brand and the company's products—primarily ink and toner print cartridges—to deceive millions of customers. To counteract this threat, HP has developed an industry-leading anti-counterfeiting program which seeks to eliminate counterfeit products in priority countries and regions by strengthening IP laws and advocating for better enforcement and stronger penalties. We engage directly with governments, collaborate with regional and international organizations, deliver training for customs officials, promote public awareness campaigns, and urge strong IP language in trade agreements.

We encourage patent reform measures to protect against frivolous litigation, unwarranted product exclusion, and excessive licensing fees unrelated to patent value. In addition, HP promotes reform of copyright levies systems, used primarily in Europe, by phasing out current schemes and replacing them with alternative compensation for rights holders. Learn more.

Market access

HP promotes open markets and economic growth through trade agreements and other measures that reduce and eliminate duties and nontariff barriers on IT products and services. Trade agreements should provide strong protection and enforcement of intellectual property rights, encourage regulatory transparency and convergence, and facilitate trade and customs for international supply chains.

In 2015, Hewlett-Packard Company strongly advocated for the passage of U.S. Trade Promotion Authority legislation to bolster the negotiation process and facilitate implementation of completed trade agreements. We continue to support pending free trade agreements such as the Trans Pacific Partnership, Transatlantic Trade and Investment Partnership, and Trade in Services Agreement. Last year, we engaged with negotiators who reached a landmark agreement to expand the Information Technology Agreement (ITA) for the first time in two decades. The expanded ITA eliminates duties on an additional 201 technology products, including multifunctional devices, computer printers, and printer ink cartridges. We urge the swift implementation of these tariff reductions.

HP believes that government procurement policies should be based on objective criteria and include internationally recognized quality standards to ensure fair competition and access to the best global technologies. We support sourcing that prevents counterfeit or infringing clone cartridges from being sold to government agencies. Policies that favor remanufactured or refilled printing supplies over the products of original equipment manufacturers disregard the importance of quality, total value, and overall life cycle sustainability. Learn more.

Privacy, data protection, and security

As people increasingly use information technology as part of their daily lives, they expect their personal information to be protected. HP recognizes the basic right to privacy and understands the importance of privacy and data protection to our customers and employees. We strive to go beyond legal minimums, and to respect human rights through consistent global policies and procedures to safeguard personal information.

Our Privacy and Government Relations teams collaborate with governments around the world to support robust and globally interoperable privacy regulations. We advocate for accountability-based requirements for both the public and private sectors to enhance data protection. Read more in Privacy.

As cyberthreats arise and rapidly evolve around the world, technology must have the flexibility to anticipate and respond. We encourage cybersecurity legislation and regulations to be voluntary, non-proscriptive, technology neutral, and aligned with global standards. Learn more.

Social responsibility

We started building a sustainable legacy long ago; while the world keeps evolving, we keep pushing ahead with leading-edge solutions that address long-standing challenges to create a more sustainable business and society. We promote an ethical supply chain and work to continually develop, implement, and scale programs and social investments that improve people's lives. We are committed to collaborating with businesses, governments, and other organizations to uphold the rights of workers, including groups that are vulnerable to potential neglect or mistreatment. Since 2008, we have been a leader in industry efforts to eliminate conflict minerals from its suppliers, and we have shared our expertise with policy makers on related legislation pending in the European Union. Learn more.

Sustainability and compliance

At HP, we create products that transform how people work and live. Our commitment to sustainability is integral to this transformation, which is why we continue to push the boundaries of energy efficiency, sustainable design, and responsible life cycle management for our products. HP advocates for policies that prioritize energy efficiency in government procurement, promote responsible and consistent materials and chemical use, and encourage responsible handling of end-of-service electronics.

In 2014 and 2015, we worked across our industry to successfully secure the endorsement by the European Union of the Industry Voluntary Agreement to Improve the Environmental Performance of Imaging Equipment Placed on the European Market. This voluntary agreement sets a framework for OEMs on several energy and non-energy-related requirements of products in scope. We also lead the industry's position in discussions with governments on the technical guidelines for the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, which seeks to ensure legitimate movement of products for repair and reuse.

In June 2015, Hewlett-Packard Company participated in GreenGov, an initiative by the U.S. Council on Environmental Quality bringing together leading corporations, senior administration officials, and sustainability-focused representatives from federal agencies. We joined discussions on efforts to green the federal government's supply chain, improve resource use, and reduce greenhouse gas (GHG) emissions.

Climate change continues to be an area of particular focus at HP. In the lead-up to the December 2015 Paris Climate Conference (COP21), we signed on to the following public statements and initiatives supporting strong climate action and outcomes:

- White House-led American Business Act on Climate Pledge
- Business Backs Low-Carbon USA
- Center for Climate and Energy Solutions Statement In Support of a Paris Climate Agreement
- We Mean Business

Taxation and economic incentives

We advocate for tax policies and economic incentives that encourage innovation, growth, and job creation worldwide. In the United States, we continue to support federal tax reform, and successfully advocated for the simplification and extension of the R&D tax credit, made permanent by Congress at the end of 2015. Internationally, we monitor and engage on tax reform proposals through the Group of Twenty (G20) and the Organization for Economic Cooperation and Development.

Political engagement

HP will continue working with key public officials to promote thought leadership, our role as an exemplary global citizen, and the HP brand. We are exploring options for the ideal political contributions engagement structure for the new company. HP does not currently have a political action committee (PAC).

In the United States, in past years Hewlett-Packard Company made a limited number of political contributions to further its public policy agenda. All Hewlett-Packard Company political endorsements and contributions were required to be authorized by the vice president of government relations as part of political programs reviewed by the Company's Board of Directors.

In 2015, Hewlett-Packard Company and the Hewlett-Packard Company PAC[1] contributed a total of $787,725 to U.S. federal, state, and local candidates, political memberships/ sponsorships, and other ballot measure campaigns. See historical political contributions data below.

Learn more on our Government Relations website.

Political contributions*	2011	2012	2013	2014	2015
Hewlett-Packard Company and Hewlett-Packard Company PAC contributions to U.S. federal, state, and local candidates, political memberships/sponsorships, and other ballot measure campaigns**,*** [$]	$1,136,447	$1,422,375	$1,175,636	$1,097,601	$787,725

*Data are calendar year.

** Includes minimal operating expenditures.

*** On August 11, 2015, the Hewlett-Packard Company PAC (HP PAC) became the Hewlett Packard Enterprise PAC (HPE PAC). Financials for 2015 reflect the HP PAC and the HPE PAC combined.

Policies and standards

Sustainability

- Sustainability Policy

Accessibility

- Accessibility Policy

Corporate ethics

- Anti-corruption Policy
- Contingent Worker Code of Conduct
- Corporate Governance Guidelines
- Global Business Amenities Policy
- Partner Code of Conduct
- Standards of Business Conduct
- U.S. Public Sector Code of Conduct

Employees

- Global Nondiscrimination Policy
- Global Open Door Policy
- Harassment-free Work Environment Policy

Environment

- 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
- Printing Supplies Recycling Policy

Privacy

- Global Master Privacy Policy
- 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

About this report

Overview

On November 1, 2015, Hewlett-Packard Company separated into two companies—HP Inc. and Hewlett Packard Enterprise. HP Inc. (HP) is a leading global personal systems and printing business.

This report includes performance data from Hewlett-Packard Company through FY2015 (which ended October 31, 2015), unless stated otherwise. The document also describes HP's sustainability policies and programs moving forward. In many cases, these continue and build on policies and programs of Hewlett-Packard Company.

HP intends to report yearly on its social and environmental progress, following the standard Hewlett-Packard Company met each year since 2001. This report provides in-depth information to stakeholders including customers, industry analysts, socially responsible investors, nongovernmental organizations (NGOs), employees, sustainability specialists, governments, and others.

To guide our disclosure, we consider external standards such as the Global Reporting Initiative G4 Sustainability Reporting Guidelines and the United Nations Global Compact, as well as reporting trends and strong practices. Our sustainability website provides summary information for readers seeking a higher-level overview of our approach and performance, and in some areas, additional detail. Previous reports are available on the reporting page.

Scope, dates, and measures

- The information in this report is current as of the date of its initial publication. This report has not been updated to reflect any changes that may have occurred after such 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 information in this report covers Hewlett-Packard Company and HP Inc. operations but does not cover joint ventures.
- All references to years are to HP's fiscal year, which ends October 31, 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 legacy Hewlett-Packard Company data, unless stated otherwise. Collecting data from hundreds of sites worldwide is complex, and the process can vary by issue, business unit, function, and geography. As a result, it can be difficult to define and implement metrics for the entire company. 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 can also be challenging. For example, we must make assumptions when estimating Scope 3 greenhouse gas (GHG) emissions, product energy consumption and resulting GHG emissions, and the percentage of HP products sold that are recycled. Where appropriate, we describe the context for performance data to help readers understand any limitations and draw appropriate conclusions.

Forward-looking content reflects approaches, goals, and priorities established by the HP teams responsible for implementing them. These goals and priorities were set in consultation with internal, and in some cases external, stakeholders and take into account leading corporate practices. We believe they are realistic yet challenging, and will provide a meaningful and balanced picture of HP's performance.

Your feedback

Your comments and suggestions are important to us. Please provide any feedback on HP's Sustainability Report, performance, or website using our online form.

Forward-looking statements

The information included in 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 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 revenue, margins, expenses, effective tax rates, net earnings, net earnings per share, cash flows, benefit plan funding, share repurchases, currency exchange rates or other financial items; any projections of the amount, timing or impact of cost savings or restructuring charges; any statements of the plans, strategies and objectives of management for future operations, including the execution of restructuring plans and any resulting cost savings or 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; and any statements or 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 and partners; the hiring and retention of key employees; integration and other risks associated with business combination and investment transactions; the resolution of pending investigations, claims and disputes; and other risks that are described in HP's Annual Report on Form 10-K for the fiscal year ended October 31, 2015 and HP's other filings with the Securities and Exchange Commission. HP assumes no obligation and does not intend to update these forward-looking statements. HP's Investor Relations website contains a significant amount of information about HP, including financial and other information for investors. HP encourages investors to visit our website from time to time, as information is updated and new information is posted.

External verification

Obtaining assurance helps demonstrate that the information provided in our Sustainability Report describes our performance accurately and completely.

In 2015, HP engaged external assurance provider Ernst & Young LLP (EY) to perform an independent review of a selected number of key performance indicators in our 2015 Sustainability Report. This process was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, including AT-101.

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 in this report received external assurance during the year:

Product reuse and recycling In 2015, through ERM, Hewlett-Packard Company audited 58 vendor facilities (25 reuse and 33 recycling) in 20 countries. This included repeat audits of 21 reuse vendors and 28 recycling vendors to evaluate their ongoing commitment to responsible practices and improved performance. Learn more in Vendor audits.

Supply chain responsibility HP engages third-party audit firms to conduct verification audits of our suppliers' social and environmental responsibility performance against HP Supplier Code of Conduct requirements. We also use third-party audit findings to validate our internal audit results. Learn more in Supply chain responsibility.

Independent accountants' review report

To the Board of Directors and Management of HP Inc.

We have reviewed selected performance indicators (the "Subject Matter") included in Appendix A and as presented in the HP Inc. ("HP") 2015 Sustainability Report (the "Report") for the year ended October 31, 2015 in accordance with the relevant Criteria also presented in Appendix A. 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, based on the relevant Criteria included in Appendix A. 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. 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 performance indicators for the year ended October 31, 2015, are in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

As described in Note 1, 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.

Based on our review, we are not aware of any material modifications that should be made to the Subject Matter for the year ended October 31, 2015, in order for it to be in accordance with the relevant Criteria set forth in Appendix A.

Ernst & Young LLP

June 29, 2016

Appendix A

Indicator name	Unit	Reported value[1]	Criteria	Reference
Scope 1 greenhouse gas (GHG) emissions[2]	Tonnes of carbon dioxide equivalents (tCO$_2$e)	188,300	World Resources Institute (WRI) / World Business Council for Sustainable Development's (WBCSD) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and the HP carbon accounting manual	Pages 16, 30, 65
Scope 2 GHG emissions (location-based-method)[2]	tCO$_2$e	1,656,200		Page 66
Scope 2 GHG emissions (market-based-method)[2]	tCO$_2$e	1,243,800		Pages 16, 30, 65
Scope 3 GHG emissions	tCO$_2$e	44,000,000	WRI/WBCSD's The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the HP carbon accounting manual	Pages 16, 66
Scope 1 energy consumption	Million kWh	320	Global Reporting Initiative (GRI) G4, EN3 and HP management definitions disclosed in the HP 2015 Sustainability Report	Page 69
Scope 2 energy consumption	Million kWh	3,378	GRI G4, EN3 and HP management definitions disclosed in the HP 2015 Sustainability Report	Page 69
Renewable energy consumption	Million kWh	814	GRI G4, EN3 and HP management definitions disclosed in the HP 2015 Sustainability Report	Pages 32, 69
Direct water consumption[3]	Cubic meters	7,226,000	GRI G4, EN8 and HP management definitions disclosed in the HP 2015 Sustainability Report[4]	Pages 35, 69
Conflict minerals disclosure	N/A - Qualitative assertion	HP identified the smelters and refiners on this list by surveying suppliers between January 2015 and December 2015. The suppliers surveyed contribute material, components, or manufacturing to products containing 3TG. Each smelter or refiner reported was identified in at least one of the Templates received from a supplier.	HP management definitions disclosed in the HP 2015 Sustainability Report	Page 89
Supply chain social and environmental responsibility (SER) audit results	Number of SER audits conducted in 2015, by type	Full re-audits: 37 Follow-up audits: 43 Initial audits: 30	GRI G4, HR10, HP management definitions disclosed in the HP 2015 Sustainability Report and EICC Code of Conduct requirements for 3rd party audits	Page 83
	Distribution of major and priority nonconformances by EICC category[5]	Health: 31% Labor: 23% Management System: 24% Environment: 15% Ethics: 7%		Page 85
	Number of supplier audits performed per region[6]	**China** Full re-audits: 22 Follow-up audits: 33 Initial audits: 14 Total: 69　**EMEA** Full re-audits: 1 Follow-up audits: 4 Initial audits: 2 Total: 7		Page 83
		APJ Full re-audits: 6 Follow-up audits: 6 Initial audits: 7 Total: 19　**Americas** Full re-audits: 8 Follow-up audits: 0 Initial audits: 7 Total: 15		Page 83
	Number of workers[7] at supplier sites audited	46,700		Page 109
Water footprint[8]	Cubic meters	296,140,000	HP water accounting manual	Pages 17, 67

Note 1: 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.

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.

"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.

Principle	Information in report
Human rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Supply chain responsibility Employees Privacy Human rights
Principle 2: make sure that they are not complicit in human rights abuses.	Supply chain responsibility Human rights
Labor standards	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Supply chain responsibility Human rights
Principle 4: the elimination of all forms of forced and compulsory labor;	Supply chain responsibility Human rights
Principle 5: the effective abolition of child labor; and	Supply chain responsibility Human rights
Principle 6: the elimination of discrimination with respect to employment and occupation.	Supply chain responsibility Diversity and inclusion Human rights
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Materials
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Supply chain environmental impact Operations Products and solutions Product return and recycling
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Supply chain environmental impact Operations Products and solutions Product return and recycling
Anti-corruption	
Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.	Supply chain responsibility Combating corruption

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 Create opportunities in underserved communities

Goal 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

HP's actions Volunteerism (Stop Hunger Now program)

Goal 3 Ensure healthy lives and promote well-being for all at all ages

HP's actions Health and safety, Wellness

Goal 4 Ensure inclusive and quality education for all and promote lifelong learning

HP's actions Transform education

Goal 5 Achieve gender equality and empower all women and girls

HP's actions Supply chain responsibility: Women and families, Diversity and inclusion

Goal 6 Ensure access to water and sanitation for all

HP's actions Operations: Water, Supply chain 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 Supply chain responsibility, Create opportunities in underserved communities

Goal 9 Build resilient infrastructure, promote sustainable industrialization and foster innovation

HP's actions Building a circular economy, Communities

Goal 10 Reduce inequality within and among countries

HP's actions Supplier diversity, Communities

Goal 11 Make cities inclusive, safe, resilient and sustainable

HP's actions Communities

Goal 12 Ensure sustainable consumption and production patterns

HP's actions Building a circular economy

Goal 13 Take urgent action to combat climate change and its impacts

HP's actions Our footprint, Supply chain environmental impact: GHG emissions, Operations: GHG emissions

Goal 14 Conserve and sustainably use the oceans, seas and marine resource

HP's actions No major programs at this time

Goal 15 Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

HP's actions Paper

Goal 16 Promote just, peaceful and inclusive societies

HP's actions Supply chain responsibility, Conflict minerals, Diversity and inclusion, Human rights, Corporate ethics

Goal 17 Revitalize the global partnership for sustainable development

HP's actions HP proudly supports the UN Sustainable Development Goals, the UN Global Compact, the Global Reporting Initiative, and other global efforts to advance sustainable development

Material issues

The following table summarizes issues determined to meet the materiality threshold for this report.
See Our material issues for more information.

🔵 Environment
🔵 Society
🔴 Integrity

Issue	Description	GRI G4 Aspect(s)	Aspect boundary	Location in report
High importance to sustainable development, high importance to HP's business success				
🔵 Labor practices in supply chain	Maintaining labor standards in working hours and conditions, wages and benefits, wage changes, labor shortages, health and safety, and humane treatment of workers employed in the supply chain, including efforts to avoid slavery and forced labor.	Nondiscrimination Freedom of Association and Collective Bargaining Child Labor Forced or Compulsory Labor	Supply chain (first- and second-tier suppliers)	Supply chain responsibility Human rights
🔴 Privacy	Collecting, capturing, analyzing, using, storing, transferring and sharing information in a manner that upholds the right to privacy, during both commercial and government relationships; this includes ensuring that product functionality and default/factory hardware settings protect privacy.	Customer Privacy	HP operations (employees) Products and solutions (customers, clients, and partners)	Privacy Government relations
🔵 Product energy efficiency	Increasing the energy efficiency of HP products and services, and enabling customers to reduce their energy use.	Energy	Products and solutions	Our footprint Products and solutions: energy efficiency Personal systems Printing
🔵 Product life cycle management	Managing the environmental and health and safety impacts of HP products through the entire product life cycle, from production of raw materials, through engineering design and manufacture, to use, maintenance, reuse, recycling, and disposal.	Materials Energy Products and Services Customer Health and Safety Product and Service Labeling	Supply chain HP operations Products and solutions	Our footprint Supply chain environmental impact Building a circular economy Communicating product environmental performance Product return and recycling
🔵 Social application of IT	Providing IT solutions that improve access to health, finance, food, government services, education, information, markets, etc., while duly considering ethics in the social applications of big data.	Indirect Economic Impacts	Projects conducted in numerous locations globally (beyond HP's controlled operations)	Communities Privacy
Medium importance to sustainable development, high importance to HP's business success				
🔴 Anti-corruption	Working against bribery, corruption, and extortion (e.g., price fixing, abuse of monopoly positions, predatory pricing, etc.).	Anti-corruption	Supply chain HP operations Products and solutions (interactions with partners and customers globally)	Supply chain responsibility Combating corruption
🔴 Data and product security	Ensuring that information collected, captured, analyzed, used, stored, transferred, and shared is protected from unwanted parties and unauthorized access, such as security threats and cyberattacks.	No GRI-specific Aspects	Supply chain HP operations Products and solutions	Privacy Government relations
🔵 Diversity and inclusion	Working to ensure that the company workforce reflects its global business and customers.	Diversity and Equal Opportunity	HP operations Products and solutions (customers, clients, and partners)	Diversity and inclusion Human rights
🔴 Ethical behavior and business partnerships	Promoting high standards of ethics in business behavior with all third parties with whom HP does business, including in joint ventures and with business partners, suppliers, and distributors.	Anti-competitive Behavior Compliance	Supply chain (interactions with suppliers, business partners, and contractors) HP operations (sales and marketing)	Corporate ethics HP 2015 10-K (Note 16: Litigation and Contingencies; this information is as of the end of FY15)
🔴 Transparency, accountability, and reporting	Providing clear and comparable business and sustainability information in an accessible manner.	Overall report	Supply chain HP operations Products and solutions	GRI index
High importance to sustainable development, medium importance to HP's business success				
🔵 Energy and GHG emissions in supply chain	Improving energy efficiency and reducing GHG emissions in HP's supply chain.	Energy Emissions	Supply chain (first- and second-tier suppliers, Scope 3 emissions)	Our footprint Supply chain environmental impact

Issue	Description	GRI G4 Aspect(s)	Aspect boundary	Location in report
● IT as a sustainability solution	Designing products and services that enable customers and entire industries to manage and reduce their environmental impacts.	Energy Products and Services	Products and solutions	Products and solutions
● Responsible paper sourcing	Responsibly sourcing paper products for internal use and sale to customers.	Materials	Supply chain	Paper
● Responsible sourcing of minerals	Working to ensure the responsible sourcing of minerals used in HP products (e.g., conflict minerals from the Democratic Republic of the Congo).	No GRI-specific Aspects	Supply chain (sub-tier suppliers in high-risk areas such as the Democratic Republic of the Congo; there are multiple tiers between HP and smelters who trade with exporters)	Conflict minerals
● Supply chain codes, standards, and engagement	Implementing and enforcing codes and standards that set a baseline for supplier social and environmental responsibility (SER) and improving HP suppliers' SER performance through engagement and transparency.	Supplier Environmental Assessment Supplier Assessment for Labor Practices Supplier Human Rights Assessment Supplier Assessments for Impact on Society	Supply chain (first- and second-tier suppliers) We ask that first-tier suppliers communicate our Electronic Industry Citizenship Coalition Code of Conduct to their suppliers, thereby propagating the requirements to our sub-tier suppliers.	Supply chain responsibility
● Use of substances of concern in products	Managing use of materials and substances of concern, and using alternative materials that reduce the risk of human health and environmental impacts, while meeting performance and cost criteria.	Materials Products and Services	Supply chain Products and solutions	Materials
● Waste and hazardous materials in supply chain	Responsibly managing and disposing of hazardous and nonhazardous waste within HP's supply chain.	Effluents and Waste	Supply chain (first-tier suppliers)	Supply chain environmental impact
● Water in supply chain	Conserving water in HP's supply chain.	Water	Supply chain (first-tier suppliers)	Supply chain environmental impact
Medium importance to sustainable development, medium importance to HP's business success				
● Board structure and independence	Ensuring HP board diversity, independent oversight, and sustainability governance.	No GRI-specific Aspects	HP operations	Sustainability strategy Corporate ethics Governance HP 2016 Proxy Statement
● Circular economy	Developing business models and design criteria that support easy product reuse, disaggregation, and disassembly, to enable product and component reuse at end of service and to avoid waste.	Materials Products and Services	Supply chain HP operations Products and solutions	Building a circular economy Products and solutions Product return and recycling
● Environmental impact of operations	Addressing the environmental impacts of HP's operations, such as GHG emissions, energy use, nonhazardous and hazardous waste generation, and water consumption.	Energy Emissions Effluents and Waste Water	HP operations	Operations
● Intellectual property protection	Ensuring appropriate protection of HP's intellectual property rights.	No GRI-specific Aspects	Supply chain HP operations Products and solutions	Government relations
● Packaging	Working to decrease the environmental impact of HP packaging by reducing material use, optimizing shipping densities, and utilizing recycled and recyclable materials.	Materials	Products and solutions	Packaging
● Product transportation	Managing and reducing fuel use and environmental impacts from product transportation and logistics.	Transport Emissions	Supply chain Products and solutions	Supply chain environmental impact
● Public policy engagement	Influencing public policy development through direct engagement and through multi-stakeholder associations or initiatives.	Public Policy	HP operations	Government relations
● Responsible marketing	Working to ensure that marketing and communication of products and services is honest, transparent, and fair.	Marketing Communications	HP operations Products and solutions	GRI index

Global Reporting Initiative index

We considered the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines when preparing this report. HP self-declares this report to the Core In Accordance level.

GRI guideline	Disclosure title	Location	Assurance scope
Strategy and Analysis			
G4-1	Statement from the most senior decision maker of the organization	Letter from President and CEO Dion Weisler	
Organizational Profile			
G4-3	Name of the organization	HP profile	
G4-4	Primary brands, products, and services	HP profile, HP 2015 10-K	
G4-5	Location of the organization's headquarters	HP profile	
G4-6	Number of countries where organization operates, names of countries where organization has significant operations or that are specifically relevant to this report	HP 2015 10-K, map of HP supplier sites	
G4-7	Nature of ownership and legal form	HP profile	
G4-8	Markets served	HP profile, HP 2015 10-K	
G4-9	Scale of the organization	HP profile, Operations, HP 2015 10-K	
G4-10	Employee demographics	Diversity and inclusion, Society: Data	
		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.	
G4-11	Percentage of total employees covered by collective bargaining agreements	HP follows its Sustainability Policy (which includes information related to human rights) and its Standards of Business Conduct. The percentage of employees covered by collective bargaining agreements is managed at a local level. HP considers this percentage on a consolidated level not relevant.	
G4-12	Description of organization's supply chain	Supply chain responsibility, Supply chain responsibility: Our approach	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	HP profile, Supply chain responsibility, HP 2015 10-K	
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	Materials	
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Supply chain environmental impact, Operations, Products and solutions, Supply chain responsibility, Supply chain responsibility: Our approach, Privacy, Human rights, Government relations, United Nations Global Compact index, United Nations Sustainable Development Goals index, GRI index	
G4-16	List of memberships of associations and national or international advocacy organizations in which the organization is involved	Affiliations and memberships	
Identified Material Aspects and Boundaries			
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents	HP 2015 10-K Differences in entities covered in different parts of the report are noted in those sections.	
G4-18	Process for defining report content and Aspect boundaries	Our material issues	
G4-19	Identified material Aspects	Material issues	
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Material issues	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Material issues	
G4-22	Effect of any restatements of information provided in previous reports	Included in relevant sections as appropriate	

GRI guideline	Disclosure title	Location	Assurance scope
G4-23	Significant changes from previous reporting periods in Scope and Aspect Boundaries	The overall content in this report is similar to last year, with some adjustments related to the company separation. Through the materiality assessment conducted in 2015, we determined circular economy and responsible paper sourcing to be material issues. Sale and misuse of IT products and services dropped below the materiality threshold for the purpose of the report.	
Stakeholder Engagement			
G4-24	Stakeholder groups engaged by the organization	Stakeholder engagement	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Stakeholder engagement	
G4-26	Approach to stakeholder engagement	Stakeholder engagement The frequency of stakeholder engagement varies by type of engagement and by stakeholder group, as described throughout this report.	
G4-27	Key topics and concerns raised through stakeholder engagement, and organization's response	Stakeholder engagement	
Report Profile			
G4-28	Reporting period	About this report	
G4-29	Date of most recent previous report	June 2015	
G4-30	Reporting cycle	Annual	
G4-31	Contact point for questions regarding report	About this report	
G4-32	GRI index	GRI index	
G4-33	Policy and current practice with regard to seeking external assurance for the report	External verification	
Governance			
G4-34	Governance structure, including committees of highest governing body	Sustainability governance, Governance	
G4-37	Processes for consultation between stakeholders and board on economic, environmental, and social topics	Sustainability governance	
G4-38	Composition of the highest governance body and its committees	HP board of directors, HP board committee composition	
G4-39	Whether chair of the highest governance body is also an executive officer	Governance	
G4-40	Nomination and selection process for the highest governance body and its committees	Corporate governance guidelines	
G4-41	Processes for the highest governance body to ensure that conflicts of interest are avoided and managed	Corporate governance guidelines	
G4-45	Highest governance body's role in the identification and management of economic, environmental, and social impacts, risks, and opportunities	Sustainability governance	
G4-47	Frequency of the highest governance body's review of economic, environmental, and social impacts, risks, and opportunities	Sustainability governance	
G4-49	Process for communicating critical concerns to the highest governance body	Contacting the board	
G4-51	Remuneration policies for the highest governance body and senior executives and relation to economic, environmental, and social objectives	HP 2015 10-K	
Ethics and Integrity			
G4-56	Organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics	Supply chain responsibility, Employees, Corporate ethics, Human rights, Policies and standards	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior	Corporate ethics	

GRI guideline	Disclosure title	Location	Assurance scope
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior	Corporate ethics	
Specific Standard Disclosures			
Category: Economic			
Aspect: Economic Performance*			
G4-DMA	Generic Disclosures on Management Approach	HP 2015 10-K	
G4-EC1	Direct economic value generated and distributed	Supplier diversity, Communities, HP 2015 10-K	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	HP's most recent CDP submission	
G4-EC3	Coverage of the organization's defined benefit plan obligations	HP 2015 10-K	
Material Aspect: Indirect Economic Impacts			
G4-DMA	Generic Disclosures on Management Approach	Supply chain environmental impact, Products and solutions, Supply chain responsibility, Communities, Government relations	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Supply chain environmental impact, Products and solutions, Supply chain responsibility, Communities, Government relations	
Aspect: Procurement Practices*			
G4-DMA	Generic Disclosures on Management Approach	Supplier diversity	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Supplier diversity	
Category: Environmental			
Material Aspect: Materials			
G4-DMA	Generic Disclosures on Management Approach	Sustainable design solutions, Materials, Paper, Packaging	
G4-EN1	Materials used by weight or volume	Materials, Paper	
G4-EN2	Percentage of materials used that are recycled input materials	Materials, Packaging	
Material Aspect: Energy			
G4-DMA	Generic Disclosures on Management Approach	Management and compliance, Operations: Energy efficiency, Renewable energy, Products and solutions: Energy efficiency	
G4-EN3	Energy consumption within the organization	Operations: Greenhouse gas emissions, Operations: Energy efficiency, Renewable energy, Environment: Data	See EY's Independent accountants' review report on page 139
G4-EN4	Energy consumption outside of the organization	Supply chain environmental impact: Greenhouse gas emissions, Products and solutions: Energy efficiency	
G4-EN5	Energy intensity	Operations: Energy efficiency	
G4-EN6	Reduction of energy consumption	Operations: Energy efficiency	
G4-EN7	Reductions in energy requirements of products and services	Products and solutions	
Material Aspect: Water			
G4-DMA	Generic Disclosures on Management Approach	Our footprint, Supply chain environmental impact: Water, Management and compliance, Operations: Water	
G4-EN8	Total water withdrawal by source	Supply chain environmental impact: Water, Operations: Water, Environment: Data	See EY's Independent accountants' review report on page 139
G4-EN10	Percentage and total volume of water recycled and reused	Operations: Water	
Aspect: Biodiversity*			
G4-DMA	Generic Disclosures on Management Approach	Paper	
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Paper	
Material Aspect: Emissions			

GRI guideline	Disclosure title	Location	Assurance scope
G4-DMA	Generic Disclosures on Management Approach	Our footprint, Management and compliance, Operations: Greenhouse gas emissions, HP carbon accounting manual	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Operations: Greenhouse gas emissions, Environment: Data, HP carbon accounting manual, CDP Climate Change submission	See EY's Independent accountants' review report on page 139
G4-EN16	Energy indirect GHG emissions (Scope 2)	Operations: Greenhouse gas emissions, Environment: Data, HP carbon accounting manual, CDP Climate Change submission	See EY's Independent accountants' review report on page 139
G4-EN17	Other indirect GHG emissions (Scope 3)	Our footprint, Environment: Data, HP carbon accounting manual, CDP Climate Change submission	See EY's Independent accountants' review report on page 139
G4-EN18	GHG emissions intensity	Operations: Greenhouse gas emissions, Environment: Data	
G4-EN19	Reduction of GHG emissions	Operations: Energy efficiency, CDP Climate Change submission	
G4-EN20	Emissions of ozone-depleting substances (ODS)	Environment: Data	
Material Aspect: Effluents and Waste			
G4-DMA	Generic Disclosures on Management Approach	Management and compliance, Waste and recycling	
G4-EN23	Total weight of waste by type and disposal method	Waste and recycling	
G4-EN24	Total number and volume of significant spills	We apply the risk-prevention and management procedures of our EHS management system to help prevent unplanned releases at our facilities. In 2015, we experienced no significant unplanned releases.	
Material Aspect: Products and Services			
G4-DMA	Generic Disclosures on Management Approach	Building a circular economy	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Our footprint, Products and solutions, HP carbon accounting manual	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Product return and recycling	
Material Aspect: Transport			
G4-DMA	Generic Disclosures on Management Approach	Business travel and commuting, Product transportation suppliers	
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Business travel and commuting, Product transportation suppliers	
Material Aspect: Supplier Environmental Assessment			
G4-DMA	Generic Disclosures on Management Approach	Supply chain responsibility: Our approach	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Supply chain responsibility: Our approach	See EY's Independent accountants' review report on page 139
Category: Social			
Subcategory: Labor Practices and Decent Work			
Aspect: Employment*			
G4-DMA	Generic Disclosures on Management Approach	Rewards and recognition	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Rewards and recognition	
Aspect: Occupational Health and Safety*			
G4-DMA	Generic Disclosures on Management Approach	Health and safety	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health and safety	
Material Aspect: Training and Education			
G4-DMA	Generic Disclosures on Management Approach	Empowering better performance	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Empowering better performance	

GRI guideline	Disclosure title	Location	Assurance scope
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Empowering better performance	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Empowering better performance	
Material Aspect: Diversity and Equal Opportunity			
G4-DMA	Generic Disclosures on Management Approach	Diversity and inclusion	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Diversity and inclusion, HP board of directors	
Material Aspect: Supplier Assessment for Labor Practices			
G4-DMA	Generic Disclosures on Management Approach	Supply chain responsibility: Our approach	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Supply chain responsibility: Our approach	See EY's Independent accountants' review report on page 139
Subcategory: Human Rights			
Material Aspect: Nondiscrimination			
G4-DMA	Generic Disclosures on Management Approach	Supply chain responsibility: Our approach	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Society: Data, HP discloses the rates of nonconformance in supplier sites audited, but not the absolute numbers. Presenting this information in this manner provides additional context for the reader.	See EY's Independent accountants' review report on page 139
Material Aspect: Freedom of Association and Collective Bargaining			
G4-DMA	Generic Disclosures on Management Approach	Supply chain responsibility: Our approach	
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Supply chain responsibility, Society: Data, Capability building	See EY's Independent accountants' review report on page 139
Material Aspect: Child Labor			
G4-DMA	Generic Disclosures on Management Approach	Supply chain responsibility: Our approach	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Supply chain responsibility, Society: Data, Capability building	See EY's Independent accountants' review report on page 139
Material Aspect: Forced or Compulsory Labor			
G4-DMA	Generic Disclosures on Management Approach	Supply chain responsibility: Our approach	
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Supply chain responsibility, Society: Data, Capability building	See EY's Independent accountants' review report on page 139
Material Aspect: Supplier Human Rights Assessment			
G4-DMA	Generic Disclosures on Management Approach	Supply chain responsibility: Our approach	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Supply chain responsibility: Our approach	See EY's Independent accountants' review report on page 139
Subcategory: Society			
Material Aspect: Anti-corruption			
G4-DMA	Generic Disclosures on Management Approach	Corporate ethics	
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Combating corruption	
G4-SO4	Communication and training on anti-corruption policies and procedures	Corporate ethics, Combating corruption	

GRI guideline	Disclosure title	Location	Assurance scope
Material Aspect: Public Policy			
G4-DMA	Generic Disclosures on Management Approach	Government relations	
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Government relations	
Material Aspect: Anti-competitive Behavior			
G4-DMA	Generic Disclosures on Management Approach	HP 2015 10-K (Note 16: Litigation and Contingencies; this information is as of the end of FY15)	
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	HP 2015 10-K (Note 16: Litigation and Contingencies; this information is as of the end of FY15)	
Material Aspect: Compliance			
G4-DMA	Generic Disclosures on Management Approach	HP 2015 10-K (Note 16: Litigation and Contingencies; this information is as of the end of FY15)	
G4-SO8	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations	HP 2015 10-K (Note 16: Litigation and Contingencies; this information is as of the end of FY15)	
Material Aspect: Supplier Assessment for Impacts on Society			
G4-DMA	Generic Disclosures on Management Approach	Supply chain responsibility: Our approach	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Supply chain responsibility: Our approach	See EY's Independent accountants' review report on page 139
Subcategory: Product Responsibility			
Material Aspect: Customer Health and Safety			
G4-DMA	Generic Disclosures on Management Approach	Communicating product environmental performance, Materials	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Communicating product environmental performance	
Material Aspect: Product and Service Labeling			
G4-DMA	Generic Disclosures on Management Approach	Communicating product environmental performance	
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Communicating product environmental performance	
Material Aspect: Marketing Communications			
G4-DMA	Generic Disclosures on Management Approach	HP is committed to responsible marketing and providing consumers and businesses accurate, relevant information. Our Standards of Business Conduct and corporate guidelines set expectations regarding the company's advertising practices. These resources require that advertisements and marketing collateral be fair, factual, and complete. HP requires that advertising claims must be formally substantiated with current factual data before publishing. HP sells its products in compliance with laws in the jurisdictions in which it does business. Training is available for employees in relevant parts of our business as well as for agencies that act on HP's behalf, including on aspects of responsible marketing such as proper claims, substantiation, necessary advertising disclosures, and endorsement of HP products by third parties.	
G4-PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	HP does not consider this metric to be highly applicable to the information technology industry, given the lack of strict regulations and voluntary industry codes in this area compared to many other industries. Further, the information is not currently available, and HP believes that this information will not be feasible to collect in the foreseeable future.	
Material Aspect: Customer Privacy			
G4-DMA	Generic Disclosures on Management Approach	Privacy	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Privacy	

* Although this GRI G4 Aspect 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.

Endnotes

Introduction

Executive summary

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

[2] Emissions intensity of HP's product portfolio refers to tonnes CO_2e/net revenue arising from use of more than 95% of HP product units shipped each year, including notebooks, tablets, desktops, mobile computing devices, and workstations; and HP inkjet, HP LaserJet, and DesignJet printers, and scanners. Expressed as emissions generated per unit of output, based on anticipated usage. For personal systems products, this reflects energy consumed by each product unit during customer use. For printing products, this reflects energy and paper consumed to print each page. Through 2015, progress against this goal equaled a 17% reduction.

[3] Intensity is calculated as suppliers' GHG emissions divided by Hewlett-Packard Company's annual revenue. This method normalizes performance based on business productivity. Intensity is reported as a three-year rolling average. Production supplier GHG emissions include Scope 1 and Scope 2. Data is through December 2014, the most recent year data is available.

[4] Emissions intensity of the Hewlett-Packard Company product portfolio refers to tonnes CO_2e/net revenue arising from use of high-volume product lines, including notebooks, tablets, desktops, mobile computing devices, and workstations; inkjet and HP LaserJet printers; and Hewlett-Packard Company servers, including industry-standard servers, as well as Hewlett-Packard Company Moonshot and Hewlett-Packard Company Apollo.

[5] Expressed as emissions generated per unit of output. Reflective of the Hewlett-Packard Company product portfolio prior to separation. Calculations for personal systems are based on energy use—measured as emissions per unit (a single device). Calculations for printers include energy use, paper, ink, and toner cartridges—measured as emissions per unit (a single device). Calculations for servers are based on energy use, measured as emissions per unit of work (a task performed by the system, as defined by industry standards).

[6] Percentage of total 3TG facilities reported to Hewlett-Packard Company that were either Conflict-Free Smelter Program 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 April 2016).

[7] Social investments include all grants made to nonprofit organizations from Hewlett-Packard Company and the Hewlett-Packard Company Foundation, plus the valuation of employee volunteer hours. Data excludes contributions to the Hewlett-Packard Company Foundation and employee donations but includes Hewlett-Packard Company's matching contributions and contributions from the Hewlett-Packard Company Foundation to other organizations.

[8] As of February 2016.

Company profile

[1] As of November 2015.

Environment

Our footprint

[1] HP calculates emissions intensity as its suppliers' reported GHG emissions divided by HP's annual revenue. This method normalizes performance based on business productivity. See Supply chain environmental impact for details.

[2] Emissions intensity of the Hewlett-Packard Company product portfolio refers to tonnes CO_2e/net revenue arising from use of high-volume product lines, including notebooks, tablets, desktops, mobile computing devices, and workstations; inkjet and HP LaserJet printers; and Hewlett-Packard Company servers, including industry-standard servers, as well as Hewlett-Packard Company Moonshot and Hewlett-Packard Company Apollo.

[3] Expressed as emissions generated per unit of output. Reflective of the Hewlett-Packard Company product portfolio prior to separation. Calculations for personal systems are based on energy use—measured as emissions per unit (a single device). Calculations for printers include energy use, paper, ink, and toner cartridges—measured as emissions per unit (a single device). Calculations for servers are based on energy use, measured as emissions per unit of work (a task performed by the system, as defined by industry standards).

[4] Emissions intensity of HP's product portfolio refers to tonnes CO_2e/net revenue arising from use of more than 95% of HP product units shipped each year, including notebooks, tablets, desktops, mobile computing devices, and workstations; and HP inkjet, HP LaserJet, and DesignJet printers, and scanners. We express emissions intensity as emissions generated per unit of output, based on anticipated usage. For personal systems products, this reflects energy consumed by each product unit during customer use. For printing products, this reflects energy and paper consumed to print each page.

Supply chain environmental impact

[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. "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).

2 Refers to first-tier manufacturing and product transportation suppliers. Intensity is calculated as suppliers' GHG emissions divided by Hewlett-Packard Company's annual revenue. This method normalizes performance based on business productivity. Intensity is reported as a three-year rolling average. Production supplier GHG emissions include Scope 1 and Scope 2. Data is through December 2014, the most recent year data is available.

Operations

1 This site count and reported square meters may differ from other published information, such as HP's Annual Report on Form 10-K for the year ended October 31, 2015, due to the assumptions used for greenhouse gas accounting.

2 Because of the Hewlett-Packard Company separation at the end of 2015, 2010 base year emissions were not recalculated. However, HP will recalculate its base year emissions in the event of merger, acquisition, divestment, and outsourcing activity that changes the baseline by an amount that meets or exceeds a materiality threshold of 10%.

Products and solutions

1 The CO_2 reduction was based on a comparison between HP LaserJet Enterprise 506dn and the predecessor product (HP LaserJet Enterprise P3015). CO_2 reduction for cartridges is reported per 1,000 pages printed (Kg CO_2e/1,000 pages).

2 Fast Cooling is enabled by HP Jet Fusion 3D Processing Station with Fast Cooling, available in 2017. HP Jet Fusion 3D Processing Station with Fast Cooling accelerates parts cooling time vs. recommended manufacturer time of SLS printer solutions from $100,000 to $300,000, as tested in April 2016. FDM not applicable. Continuous printing requires an additional HP Jet Fusion 3D Build Unit (standard printer configuration includes one HP Jet Fusion 3D Build Unit). Based on internal testing and simulation, HP Jet Fusion 3D printing solution average printing time is up to 10 times faster than FDM and SLS printer solutions from $100,000 to $300,000 on market as of April 2016. Testing variables: part quantity: 1 full bucket of parts from HP Jet Fusion 3D at 20% of packing density vs. same number of parts on above-mentioned competitive devices; part size: 30g; layer thickness: 0.1mm/0.004 inches.

3 Based on internal testing and public data, HP Jet Fusion 3D printing solution average printing cost-per-part is half the cost of comparable FDM & SLS printer solutions from $100,000 to $300,000 on market as of April 2016. Cost analysis based on: standard solution configuration price, supplies price, and maintenance costs recommended by manufacturer. Cost criteria: printing 1-2 buckets per day/5 days per week over 1 year of 30 grams parts at 10% packing density using the powder reusability recommended by manufacturer.

4 Does not include graphics printers, which are out of scope for IT ECO declarations.

5 The low-halogen standard = <900 ppm chlorine, <900 ppm bromine, <1,500 ppm chlorine+bromine in any homogeneous material in the products.

6 HP designed ASICs.

7 The following HP LaserJet printers meet the EPEAT criteria 4.1.6.2 to eliminate or reduce BFR/CFR content of printed circuit board laminates, so all circuit boards are low halogen: HP LaserJet Enterprise M506dn (U.S. SKU only), HP LaserJet Pro M402dn (U.S. SKU only), HP LaserJet Enterprise Flow MFP M527c, HP LaserJet Managed Flow MFP M527cm, HP LaserJet Enterprise Flow MFP M527z (U.S. SKU only).

8 Includes recycled plastic as well as recycled metal content.

9 100% of commercial desktop models contain greater than 10% PCR plastic content when configured with a wireless keyboard.

10 Emissions intensity of the Hewlett-Packard Company product portfolio refers to tonnes CO_2e/net revenue arising from use of high-volume product lines, including notebooks, tablets, desktops, mobile computing devices, and workstations; inkjet and HP LaserJet printers; and Hewlett-Packard Company servers, including industry-standard servers, as well as Hewlett-Packard Company Moonshot and Hewlett-Packard Company Apollo.

11 Expressed as emissions generated per unit of output. Reflective of the Hewlett-Packard Company product portfolio prior to separation. Calculations for personal systems are based on energy use—measured as emissions per unit (a single device). Calculations for printers include energy use, paper, ink, and toner cartridges—measured as emissions per unit (a single device). Calculations for servers are based on energy use, measured as emissions per unit of work (a task performed by the system, as defined by industry standards).

12 Emissions intensity of HP's product portfolio refers to tonnes CO_2e/net revenue arising from use of more than 95% of HP product units shipped each year, including notebooks, tablets, desktops, mobile computing devices, and workstations; and HP inkjet, LaserJet, and DesignJet printers, and scanners. Expressed as emissions generated per unit of output, based on anticipated usage. For personal systems products, this reflects energy consumed by each product unit during customer use. For printing products, this reflects energy and paper consumed to print each page. Through 2015, progress against this goal equaled a 17% reduction.

13 The average energy consumption of HP products was estimated annually between 2005 and 2010 using high-volume product lines representative of the overall shipped product volume. The high-volume product lines include notebook and desktop computers, inkjet and HP LaserJet printers, and industry-standard servers. These calculations were based on different assumptions and methodologies than the 2020 goal.

14 The average energy consumption of HP products was estimated annually between 2010 and 2015 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, AIOs, workstations, thin clients, and displays.

15 The specific SKUs for the products rated by EPEAT at the Gold level are HP LaserJet Enterprise M506dn (F2A69A#201 and F2A69A#AAZ).

16 The average energy consumption (based on ENERGY STAR® program's Typical Electricity Consumption (TEC)) of HP products was estimated annually between 2010 and 2015 using high-volume product lines (including HP LaserJet and excluding scanners) that are representative of the overall shipped product volume.

17 The average energy consumption (based on sleep mode power) of HP products was estimated annually between 2010 and 2015 using high-volume inkjet printer product lines representative of the overall shipped product volume. This excludes HP PageWide inkjet printers and large format printers.

18 See endnote 14.

19 http://www.energystar.gov/index.cfm?c=partners.most_efficient_criteria.

20 Based on EPEAT U.S. registration.

21 Based on iNEMI definition of halogen-free.

[22] Based on EPEAT 1680.1-2009 criteria. To claim this point, products must meet the following thresholds: cadmium (<50ppm), lead (<50ppm), hexavalent chromium (<500ppm), mercury (none in light sources), risk-phrase flame retardants (<0.1% of total weight for parts >25g), and PVC in large plastic parts (none in parts greater than 25g).

[23] 100% of commercial desktop models contain greater than 10% PCR plastic content when configured with a wireless keyboard.

[24] energystar.gov.

[25] See endnote 16.

[26] The specific SKUs for the products rated by EPEAT at the Gold level are HP LaserJet Enterprise M506dn (F2A69A#201 and F2A69A#AAZ), HP LaserJet Pro M402dn (C5F94A # 201) HP LaserJet Enterprise Flow MFP M527c (F2AA81A#BGJ, F2AA81#AAZ, F2A81#201), HP LaserJet Enterprise Flow, and MFP M527z (F2A78A#BGJ, F2A78A#AAZ, F2A78A#201).

[27] Using the ENERGY STAR® program's Typical Electricity Consumption (TEC) method, or as reported in energystar.gov as of July 2015. Actual results may vary. HP testing is based on using the default Sleep Timer setting for all products. Default Sleep Timer setting is 0 minutes for the HP LaserJet M506 series. Increasing the Sleep Timer setting longer than the default value can increase TEC. More information about test methodology can be found at: http://www8.hp.com/h20195/v2/GetDocument. aspx?docname=4AA6-1566ENW.

[28] http://www8.hp.com/us/en/hp-news/press-release.html?id=1923205#.VjaFJrerQgs.

[29] The CO_2 reduction was based on a comparison between HP LaserJet Enterprise 506dn and the predecessor product (HP LaserJet Enterprise P3015). CO_2 reduction for cartridges is reported per 1,000 pages printed (Kg CO_2e/1,000 pages).

[30] See endnote 17.

[31] Energy claim and packaging waste claim based on testing comparisons of major competitors in default modes by Buyers Lab Inc., May 2016.

[32] Based on internal life cycle assessment vs. HP LaserJet printers, May 2016.

[33] Estimated energy and paper savings based on analysis of select HP Managed Print Services customers' imaging and printing operations using data gathered on devices and paper consumption and comparing with post-MPS actuals or projections. Results depend on unique business environments, the way HP products and services are used, and other factors. Overall printing costs are unique to each company and should not be relied on for savings you may achieve.

[34] Ibid.

[35] As of March 2016.

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

[37] Not all locations have suitable recycling infrastructure to recycle all materials used in HP packaging.

[38] See endnote 36.

[39] http://newlight.com/aircarbon/.

[40] Emissions intensity of HP's product portfolio refers to tonnes CO_2e/net revenue arising from use of more than 95% of HP product units shipped each year, including notebooks, tablets, desktops, mobile computing devices, and workstations; and HP inkjet, LaserJet, and DesignJet printers, and scanners. Expressed as emissions generated per unit of output, based on anticipated usage. For personal systems products, this reflects energy consumed by each product unit during customer use. For printing products, this reflects energy and paper consumed to print each page. Through 2015, progress against this goal equaled a 17% reduction.

[41] See endnote 36.

Product return and recycling

[1] It is impractical for HP to report the recycling rate by product category, as materials are not typically sorted at collection points.

[2] As of May 2016.

Society

Supply chain responsibility

[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. "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).

[2] "Conflict Minerals in the Compute Sector: Estimating Extent of Tin, Tantalum, Tungsten, and Gold Use in ICT Products." Colin Fitzpatrick, Elsa Olivetti, T. Reed Miller, Richard Roth, and Randolph Kirchain. *Environmental Science & Technology.* December 2014.

Employees

[1] As of November 2015.

[2] As of February 2016.

[3] For an employee activity to be considered volunteering, it needs to serve the public good, be conducted through a formal or informal organization that is not for profit, and be unpaid. HP employee volunteering can be conducted during paid work time, including as part of a department or team service project, or on an employee's own time. It can also include time related to making a cash or goods donation such as shopping for toys that will be donated, giving blood, or walking for a charitable cause.

Communities

1   Following the separation of Hewlett-Packard Company on November 1, 2015, to form HP Inc. and Hewlett Packard Enterprise, the assets of the Hewlett-Packard Company Foundation were divided equally between the HP Foundation (which is associated with HP Inc.) and the Hewlett Packard Enterprise Foundation.

Integrity

Privacy

1   Based on HP review of 2015 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. Available on the HP LaserJet M527, M506, M577, and as an upgrade on the M552, M553, M604, M605, and M606. Some features will be made available as a HP FutureSmart upgrade on selected existing printer models. For details see hp.com/go/ljclaims.

2   Based on HP review of 2015 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. Available on the HP LaserJet M527, M506, M577, and as an upgrade on the M552, M553, M604, M605, and M606. Some features will be made available as a HP FutureSmart upgrade on selected existing printer models. For details see hp.com/go/ljclaims.

3   HP JetAdvantage Security Manager must be purchased separately. To learn more, see hp.com/go/securitymanager.

4   Based on HP review of 2015 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. Available on the HP LaserJet M527, M506, M577, and as an upgrade on the M552, M553, M604, M605, and M606. Some features will be made available as a HP FutureSmart upgrade on selected existing printer models. For details see hp.com/go/ljclaims.

Government relations

1   On August 11, 2015, the Hewlett-Packard Company PAC (HP PAC) became the Hewlett Packard Enterprise PAC (HPE PAC). Financials for 2015 reflect the HP PAC and the HPE PAC combined.

About this report

Independent accountants' review report

1   All indicators are reported for the year ended October 31, 2015, except as otherwise indicated.

2   The HP carbon accounting manual is available at: http://h20195.www2.hp.com/V2/GetDocument.aspx?docname=c05179524.

3   Direct water consumption for HP operations.

4   Note that sewage treatment plant (STP) water is not included within the scope of water consumption and is reported as a separate line item in the HP 2015 Sustainability Report.

5   Includes initial audits and full re-audits only; EICC stands for Electronic Industry Citizenship Coalition.

6   Regions include: China, APJ (Asia Pacific and Japan), EMEA (Europe, Middle East, and Africa), and the Americas (North, Central, and South America).

7   Number of workers as of the date of the site visit per the production and nonproduction initial supplier audit reports, rounded to the nearest hundred.

8   The HP water accounting manual is available at: http://h20195.www2.hp.com/V2/GetDocument.aspx?docname=c05179526.

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