



THE NEW CONSUMER CONTRACT A BOLD PLEDGE FOR SUSTAINABILITY, ONE CARTRIDGE AT A TIME

Manufacturers and consumers can work together in pursuit of a more sustainable future.

By **David McQuarrie**, Global Head of Print Business Management, HP Inc.



It's easy to imagine what sustainable manufacturing, shopping and consumption should look like. What's hard is the actual implementation of these practices. Every day brings a new headline about a plastic bag ban or a movement to eradicate single-use plastics. Yet, while such efforts are noble, they are not likely to inspire the kinds of sweeping global changes we'll need in order to create a healthier planet that thrives long into the future.

All of us, including channel partners, have to think big and broad, creating holistic practices that begin in supply chains and factories, move through distribution to store shelves and continue to implement and utilize recycling and upcycling programs that lead back to the supply chains in a never-ending loop.

A Future of Circles and Loops

If we assume, as we should, that our centuries-old behavior of recklessly dumping countless tons of non-biodegradable waste into landfills isn't viable for the long haul, then we really need to take a hard look at how we can reuse waste, thinking of it as a recoverable resource. That's the idea behind the [circular economy](#), a regenerative approach that strives to maintain products, components and materials at their highest utility and value for as long as possible—minimizing waste.

At HP, plastic ink and toner cartridges are a huge part of our business, so we've worked for more than 20 years to build a robust [closed loop recycling process](#) that enables us to take responsibility for our products throughout their entire lifecycle and own their impacts all along the value chain. Our priority is to decouple growth from consumption through dematerialization and increased use of recycled content as well as designing our products for durability and repairability.

By making it easy (and free) for our customers to return their used cartridges to us through the [HP Planet Partners program](#), available in 74 countries, we not only upcycle that plastic into new products but blend in additional materials recovered from other recycling streams. Nothing we recycle goes to landfills. Indeed, since 2000, we've used [more than 199 million pounds](#) of recycled plastic to manufacture 3.9 billion HP Original ink and toner cartridges.

HP has extended this idea around the world. One of our most inspiring projects is in [Haiti](#), where we created facilities to collect tons of ocean-bound plastic waste for export and recycling. Since 2016, we have sourced more than 716,000 pounds of ocean-bound plastic waste for use in HP products. We have partnered with local agencies and invested in a new washing line that will enable our partners to produce cleaner, higher quality recycled plastic locally, giving them the chance to sell it not only to HP but also to other customers as well. We estimate that this investment will help create more than 1,000 new income opportunities locally, and that money supports housing, education and healthcare where it is sorely needed, all while helping to clean up the local environment and keeping plastics out of the ocean.

Sustainability Is Good for Business

Cynics may wonder if the effort that goes into pursuing sustainable business practices is hard on a business's bottom line. In reality, the opposite is true. Today, both employees and investors are on board. In fact, in 2018, HP added more than \$900 million in new revenue where sustainability was a key differentiator, a 35 percent year-over-year increase.¹

In April 2019, HP [unveiled a new study](#) proving sustainability is a business requirement—especially when it comes to recruiting, hiring and retaining employees. Of 10,000 office workers and office supply decision makers in 10 countries, 60 percent agreed sustainability is a need-to-have for companies and that ignoring it is as bad as ignoring diversity and inclusion initiatives.

Just as important, 64 percent of consumers globally said they would pay more for products from companies that are trying to reduce their environmental impact.

Wall Street also keeps its eye on companies building toward a more sustainable future. In fact, socially responsible investing assets have grown at a clip of 40 percent per year since 2016, according to the US SIF Foundation's "[Report on US Sustainable, Responsible and Impact Investing Trends](#)." Investors now consider environmental, social and governance (ESG) factors across \$12 trillion of professionally managed assets, the report found.

For its part, HP strives to maintain a leadership position:

- For the seventh consecutive year, HP was named to the [Dow Jones Sustainability World Index \(DJSI\)](#), a set of global sustainability benchmarks that score companies across economic, environmental and social components.
- Since 2003, HP has been named to the [FTSE4Good Index](#), which helps investors integrate environmental, social and governance factors into their investment decisions.
- For the fifth consecutive year, HP achieved a place on the [CDP Climate Change "A" List](#) for its actions to mitigate climate risks.

A Pledge to Do More

HP continues to set and achieve new sustainability goals. From 2017 to 2018, we increased the volume of recycled content in our printer hardware and intend to include an industry-leading 30 percent of recycled plastic in our products by 2025.² We also plan to recycle 1.2 million tonnes of hardware and supplies by 2025, a 400 percent increase over our volume to date.

Next up for us is hitting targets in line with the [Intergovernmental Panel on Climate Change](#) to limit global warming to 1.5 degrees, including using 60 percent renewable energy in our operations by 2025 (100 percent by 2035) and reducing our greenhouse gas emissions from operations by 60 percent by 2025. HP also maintains a [supply chain responsibility program](#), which aims not only to reduce global environmental impact but also to protect workers. Looking ahead, we will continue towards our goal to help suppliers cut two million tonnes of CO2 emissions between 2010 and 2025.³ We also aim to reduce HP product use GHG emissions intensity by 30 percent by 2025, compared to 2015.⁴

As a result, in 2019, we were named to [Corporate Knights' Global 100 list](#) of the most sustainable corporations in the world for the third year in a row, and named on [Barron's list of 100 Most Sustainable U.S. Companies](#).

Ultimately, HP believes that having a true [sustainable impact](#) depends not just on our internal efforts, but on the invitation we extend to partners, resellers and customers to join us in the effort. After all, we can't complete the "circle" of the circular economy without them. Working together, worldwide, is how we'll meet our goals.

¹In 2018, we tracked \$972 million in new revenue in which sustainability criteria were a known consideration and were supported actively by HP's Sustainability and Compliance organization. This represented an increase of 35% compared to 2017. In 2018, the year-over-year revenue supported by HP's Sustainability and Compliance organization included new, retained, and potential revenue.

²Goal: Use 30% post-consumer recycled content plastic across HP's personal systems and print product portfolio by 2025. Recycled content plastic (RCP) as a percentage of total plastic used in all HP personal print cartridges shipped during the reporting year. Total volume excludes brand-licensed products and after-market hardware accessories. Total RCP includes post-consumer waste recycled plastic, closed-loop plastic, and ocean-bound plastic used in HP product manufacturing. Personal systems plastic is defined by EPEAT® eco-label criteria. Subject to relevant restrictions on the use and distribution of materials destined for recycling and/or recycled feedstocks.

³This continues a goal from before the separation of Hewlett-Packard Company on November 1, 2015, extending the goal to 2025. Includes data from suppliers associated with HP Inc. and HP Inc. pre-separation business units.

⁴HP product use GHG emissions intensity measures per unit GHG emissions during anticipated product lifetime use. These values are then weighted by contribution of personal systems and printing products to overall revenue. These emissions represent more than 99% of HP product units shipped each year, including notebooks, tablets, desktops, mobile computing devices, workstations, displays, and digital signage; and HP inkjet, LaserJet, DesignJet, Indigo, Scitex, and Jet Fusion 3D printers, and scanners.