Second-Party Opinion

HP Inc.
Sustainable Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the HP Inc. Sustainable Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018, Green Bond Principles 2018, and Social Bond Principles 2020. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Green Buildings, Energy Efficiency, Clean Transportation, Pollution Prevention and Control, Eco-Efficient Products, Environmentally Sustainable Management of Living Natural Resources and Land Use, and Socio-Economic Advancement and Empowerment – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals ("SDGs"), specifically SDGs 4, 7, 9, 10, 11, 12, and 15.

PROJECT EVALUATION / SELECTION HP intends to establish a committee comprising of representatives from its Sustainability, Treasury, and Finance teams, that will be responsible for the annual assessment and selection of Eligible Projects per the criteria defined in the Framework. HP's Sustainability Lead will provide the final approval on the Eligible Projects. Sustainalytics considers the project selection process to be in line with market practice.

MANAGEMENT OF PROCEEDS HP's Finance group will be responsible for the allocation and tracking of net proceeds to Eligible Projects. HP intends to allocate a vast majority of the proceeds raised within 18 to 24 months from the date of bond issuance. The unallocated proceeds will be used to re-financing existing debt, or held in cash, cash equivalents and/or invested in liquid marketable instruments. This is in line with market practice.

REPORTING HP intends to publish Sustainable Bond Reports, together with its Sustainable Impact Reports, to provide allocation and, where feasible, impact reporting on its website on an annual basis until full allocation. The allocation reporting is expected to include project or category-level details on the Eligible Projects and the balance of unallocated proceeds. In addition, HP intends to report on relevant quantitative impact where feasible and has provided indicative metrics within the Framework. Sustainalytics views HP Inc.'s allocation and impact reporting as aligned with market practice.

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Issuer Location	Palo Alto, California, U.S.

Report Sections

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Introduction

HP Inc. ("HP", or the "Issuer") is a multinational information technology company headquartered in Palo Alto, California. The Issuer develops printers (including 3D printing solutions), personal computers, mobile devices, and provides other associated services.[1]

HP has developed the HP Inc. Sustainable Bond Framework (the "Framework") under which it intends to issue sustainability bonds ("Sustainable Bonds") and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that are expected to create positive environmental and social impact. The Framework defines eligibility criteria in eight areas:

1. Renewable Energy
2. Green Buildings
3. Energy Efficiency
4. Clean Transportation
5. Pollution Prevention and Control
6. Eco-Efficient Products
7. Environmentally Sustainable Management of Living Natural Resources and Land Use
8. Socio-Economic Advancement and Empowerment

HP engaged Sustainalytics to review the Framework, dated May 2021, and to provide a Second-Party Opinion on the Framework's environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2018 (SBG), Green Bond Principles 2018 (GBP), and Social Bond Principles 2020 (SBP).[2] This Framework has been published in a separate document.[3]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[4] opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Sustainability Bond Guidelines 2018, Green Bond Principles 2018, and Social Bond Principles 2020, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.7, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of HP's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. HP representatives have confirmed (1) they understand it is the sole responsibility of HP to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and HP.

[1] HP website, "About HP", at: https://investor.hp.com/home/default.aspx?jumpid=in_r12137_us/en/corp/about_us/explore-hp/investor-relations
[2] The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/
[3] The HP Inc. Sustainable Bond Framework is available on HP's website at: https://www8.hp.com/us/en/hp-information/sustainable-impact.html
[4] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that HP has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the HP Inc. Sustainable Bond Framework

Sustainalytics is of the opinion that HP Inc. Sustainable Bond Framework is credible, impactful and aligns with the four core components of the GBP, and the SBP. Sustainalytics highlights the following elements of HP's Sustainability Bond Framework:

- Use of Proceeds:
  - The Framework's seven green categories are aligned with those recognized by the GBP and one social category is aligned with those recognized by the SBP.
  - HP has established a two-year look-back period for its refinancing activities, which Sustainalytics considers to be in line with market practice.
  - For the Renewable Energy category, HP intends to finance expenditures related to renewable energy generation projects, in particular on-site solar and wind power. Sustainalytics views the criterion to be aligned with market practice.
  - Under the Green Buildings category, HP intends to finance the construction or improvement of its facilities that meet HP's sustainability criteria[5] and have achieved a recognized green building certification. Sustainalytics views the schemes specified by the Framework – LEED ("Gold" or above) or BREEAM ("Excellent" or above) – to be credible and the levels selected to be indicative of positive impact and aligned with market practice. For Sustainalytics' assessment of these certifications please refer to Appendix 1.
  - Under the Energy Efficiency category, the Framework allows for financing expenditures related to: (i) energy efficiency retrofits including lighting, and HVAC upgrades, and (ii) water efficiency upgrades including smart water management services for landscaping and rainwater harvesting systems, with an aim to achieve a 30% improvement in energy efficiency associated with HP's operations. Sustainalytics views these investments to be aligned with market practice.
  - Under the Clean Transportation category, HP intends to invest in electric and hybrid vehicles, and associated infrastructure.
    - Electric vehicles are automatically eligible. For hybrid vehicles, HP considers investments in vehicles with emission intensity below 50g CO_2 per km. Sustainalytics considers financing of clean transportation with associated thresholds, as well as the associated low-carbon infrastructure, to be aligned with market practice.
  - For the Pollution Prevention and Control category, HP intends to finance the costs associated with: (i) the sourcing of recycled plastic to be used as an input for the manufacturing of printers,[6] personal systems,[7] and supplies (collectively, the "Product Portfolio"); (ii) the recycling infrastructure and machinery to facilitate the collection and recycling of ocean-bound plastic used in the manufacturing of the Product Portfolio, across different regions including Haiti; (iii)

[5] HP report, "HP 2019 Sustainable Impact Report- Our Facilities" (p59), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[6] HP report, "HP 2019 Sustainable Impact Report- Home and office printing solutions" (p100), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[7] HP report, "HP 2019 Sustainable Impact Report- Personal systems" (p98), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778

the expansion of its repairing and reselling programs that aim to extend the longevity of its Product Portfolio; or (iv) new and existing partner-based take-back programs, including infrastructural and program-related costs, and payments to "HP Planet Partners"[8] for collecting and recycling end-of-life devices from its Product Portfolio. Sustainalytics views these initiatives to be indicative of positive impact and aligned with market practice, and notes the following:

- The recycled plastics procured by HP will be used in consumer and commercial electronics and products, not single-use or packaging applications.[9]
- The Issuer intends to focus its recycling and return initiatives on countries where the return and recycling of products and supplies is voluntary, which further reinforces the potential positive impacts.
- Current levels of plastics recycling are very low, with an estimated 9% of total global plastic waste having been recycled between 1950 and 2015.Improved recycling rates alone, even if attainable, will not fully address the holistic environmental issues associated with plastics. In order to achieve full circularity, the industry needs to take substantial measures, including an increased use of sustainably sourced alternative (low-carbon) materials that can be recycled indefinitely without a loss of quality. Nevertheless, increased recycling and reuse are key parts of the short-term solution to plastic wastes.

– Under the Eco-Efficient Products category, HP intends to finance research and development ("R&D") expenditures related to the development of its products. This financing aims to support projects which align with HP's environmental goals, namely (i) resource use reduction, including a target of using 30% postconsumer recycled plastic content across HP's Product Portfolio, and eliminating 75% of single-use plastic packaging by 2025 (compared to 2018), and (ii) greenhouse gas ("GHG") emissions target of achieving a 30% reduction in the product use emission intensity by 2025 from 2015.[10]
  - Sustainalytics considers it market practice for R&D initiatives to specifically target improved environmental outcomes. It is recognized that HP's approach considers eligible all R&D expenditures related to qualifying products.
  - The Framework defines specific criteria for selecting programmes eligible for financing from sustainability bonds. These qualifying products must meet: (i) at least one of two energy efficiency criteria, and (ii) at least one of two waste reduction criteria.
    - The products aligning with the energy efficiency criteria must either achieve a reduction in product use GHG emissions compared the previous generation[11] or achieve a specified ecolabel certification. Sustainalytics views the energy reduction target and the ecolabels specified by the Framework – EPEAT ("Silver" or above), ENERGY STAR, TCO, or Blue Angel – to be credible. For Sustainalytics' assessment of the referenced ecolabels, please refer to Appendix 2.
    - For products to align with the waste reduction criteria, they should either aim to reduce or eliminate single-use plastic packaging and facilitate transition towards recyclable packaging compared to the 2018 baseline, or improve adoption of sustainable, recycled, or reused materials, and components in print and personal devices and supplies compared to the same baseline year. Achievement of these criteria is measured based on compliance with a trajectory to achieve the 2025 targets reference above.[12]
    - Sustainalytics views the combination of energy efficiency and waste reduction thresholds as supportive of positive environmental impacts and considers the criteria to be aligned with market practice.
  - HP has disclosed to Sustainalytics the anticipated share of R&D programmes which would qualify as green under the above criteria. Sustainalytics considers the fact that they represent a minority of HP's total annual R&D expenditures to support the claim that HP is financing its most environmentally impactful initiatives, and in any case

[8] HP document, "HP Planet Partners Return and Recycling Program", at: http://www.hp.com/hpinfo/newsroom/press_kits/2008/macworld/ds_hpplanetpartners_recyclingprogram.pdf
[9] Sustainalytics acknowledges that the components include ink cartridges, which may not be considered to be consumer durables. Nevertheless, Sustainalytics considers such products to be a distinct use case from short-lifespan products such as packaging materials, bottles, etc due to their longer lifespan, and further notes that HP aims to both recover used cartridges and to use a significant share of post-consumer materials in their production.
[10] Please refer to Section 2 for details on HP's performance across these targets.
[11] These incremental improvements are intended to achieve a 30% improvement by 2025 against a 2015 baseline.
[12] Sustainalytics has confirmed that the feedstock for recycled material will be limited to paper and plastic.

encourages the selection of projects in which the greatest share of expenditures can be attributed to improved environmental outcomes.
    - In addition to expenditures eligible based on the above criteria, HP may finance R&D related to sustainable printing solutions, namely those within continuous ink/toner supply which substantially reduce waste from cartridges. Sustainalytics views this investment to be aligned with market expectation based on the specific benefits that are anticipated to be achieved.
- Under the Environmentally Sustainable Management of Living Natural Resources and Land Use category, the Framework includes investments in forestry projects, including those in China and Brazil, including both restoration and sustainable forest management. Sustainalytics notes positively the inclusion of FSC certification for projects related to active timber plantations and views conservation activities to be aligned with market practice. Please see Appendix 3 for a summary of this certification scheme.
- Under the Socio-Economic Advancement and Empowerment category, HP intends to invest in projects financed via Minority Depository Institutions ("MDIs"),[13]and initiatives related to diversity & inclusion, worker empowerment in its supply chain, education and digital inclusion, digital healthcare, accessibility for people with disabilities, and support for people in crises such as in response to the COVID-19 pandemic. As required by the SBP, the Framework defines specific target populations. Sustainalytics notes that the Framework excludes investments in purely philanthropic activities.
    - The Framework considers eligible deposit certificates to MDIs that are certified by Community Development Financial Institutions ("CDFIs").[14] CDFIs are mission-oriented lenders compliant with the regulatory definition of at least 60% of financing activities targeted at LMI populations or underserved communities.[15] Recognizing that financing may still hold uncertainty around its end use, Sustainalytics encourages the issuer to provide transparency on potential end-use of capital, allocations to MDIs that strive to exceed the minimum thresholds for serving targeted populations. Sustainalytics also notes that long-term deposits provide greater social impact due to the security this capital provides to MDIs and recommends that HP report on the structure of the placed certificates.
    - Expenditures related to improving the accessibility of HP devices and services for people with physical or other disabilities are considered to be aligned with market practice.
        - Sustainalytics recognizes the potential impacts of investment in diversity recruitment for HP's own workforce and in particular notes the importance of developing diverse talent within the tech industry. Further, it is viewed positively that this category is underpinned by a quantitative goal. Sustainalytics encourages HP to report on its progress in this area in order to provide assurance of the impacts achieved by these investments. HP may finance capacity building programs that intend to promote safe, fair, and legal working environment among factory workers across HP's supply chain.[16] Sustainalytics recognizes the important social impacts within the supply chain of consumer electronics companies and notes positively that HP intends that investments in this area go beyond baseline health and safety initiatives or other programs required by regulation.
    - Educational investment may include equipment, development, and partnership costs associated with both online and offline educational programs, including HP LIFE, a free-of-cost vocational training program,[17] designed for women, girls, and underserved groups. HP's overarching intent is to leverage its technology and capacity to support these populations, either through direct provision of programs or through research into how to address their needs. Sustainalytics considers this focus on addressing the digital divide, in particular for vulnerable groups, to be likely to deliver positive impacts and complementary to the Issuer's core business of developing such technologies and

[13] Financial institutions obtain MDI status by complying with regulation under MDI Program administered by the Federal Deposit Insurance Corporation (FDIC).
[14] CDFI Fund report, "What are CDFIs", at: https://www.cdfifund.gov/sites/cdfi/files/documents/cdfi_infographic_v08a.pdf
[15] US Federal Deposit Insurance Corporation, "Strategies for Community Banks to Develop Partnerships with Community Development Financial Institutions", at: https://www.fdic.gov/consumers/community/webinar/2014/2014-cdfi-guide-overview.pdf
[16] HP report, "HP 2019 Sustainable Impact Report- Capacity building" (p37), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[17] HP LIFE website, "About HP LIFE", at: https://www.life-global.org/about

as such to be aligned with market expectations, further noting that HP intends that only a minority of the proceeds be allocated to the category.

- Development of telehealth education campaigns and healthcare-related programs that: (i) enhance healthcare education and access in developing countries, (ii) positively impact migrants, refugees, or women and other marginalized communities, or (iii) build digital skills among community members. In addition, HP may also invest in maternal mortality reduction efforts, policy development, and large-scale healthcare equity programs that are aimed at providing low-cost and accessible healthcare solutions in developing countries through global partnerships.
  - Sustainalytics recognizes the potential of such programs to generate positive social impact, while noting the broad nature of potentially eligible initiatives.
  - HP has confirmed that, while it does yet have investments in this area, its intent is to focus on supporting high-quality health care and health equity programs in developing countries, with a focus on ensuring accessible and affordable services to vulnerable populations through the provision of technology, training, and policy development and, where possible, leveraging partnerships with NGOs. Sustainalytics would view these activities as aligned with market expectations, noting that the Issuer intends to allocate only a small percentage of the proceeds to the category. Sustainalytics encourages HP to report on the impact created by the specific healthcare equity programs financed.

- Project Evaluation and Selection:
  - HP intends to establish a committee comprising of representatives from its Sustainability, Treasury, and Finance teams that will be responsible for the annual assessment and selection of Eligible Projects per the criteria defined in the Framework.
  - The Issuer's Sustainability Lead will provide the final approval on the Eligible Projects.
  - Based on the clear delineation of responsibility, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - HP's Finance group will be responsible for the allocation and tracking of net proceeds to Eligible Projects.
  - HP intends to fully allocate a vast majority of the bond proceeds within 18 to 24 months from the date of bond issuance. The unallocated proceeds will be used to re-financing existing debt,[18] or held in cash, cash equivalents and/or invested in liquid marketable instruments, including the U.S. government securities.
  - Based on the management of the bond proceeds and the disclosure on the temporary use of unallocated proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - HP intends to publish Sustainable Bond Reports, together with its Sustainable Impact Reports, on its website[19] to report on the allocation and, where feasible, the impact of proceeds on an annual basis until full allocation, and thereafter in case of any material changes.
  - The allocation reporting is expected to include project or category-level details on the allocation of net proceeds and the balance to unallocated proceeds.
  - The impact reporting is expected to provide category-wide impact of the projects against respective key performance indicators including (i) annual renewable energy produced (MWh), (ii) carbon footprint of the transportation fleet, (iii) percentage of the portfolio covered by EPEAT, Energy Star, Blue Angel or TCO (see Appendix 2 for more details on these ecolabels), (iv) percentage of HP brand paper and paper-based product packaging derived from certified and recycled sources, and (v) number of black African American Executives.
  - Based HP's commitment to allocation reporting and, where feasible, impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that the HP Inc. Sustainable Bond Framework aligns with the four core components of the GBP and SBP. For detailed information please refer to Appendix 4: Sustainability Bond/ Sustainability Bond Programme External Review Form.

[18] The Framework excludes investments in greenhouse gas intensive projects.
[19] HP's annual Sustainable Impact Reports are available at: https://www8.hp.com/us/en/hp-information/sustainable-impact.html

Section 2: Sustainability Strategy of HP

Contribution of Framework to HP's sustainability strategy

Sustainalytics is of the opinion that HP demonstrates a strong commitment to sustainability through its stated vision of creating "technology that makes life better for everyone, everywhere".[20] In 2021, HP ranked among the "Global 100 Most Sustainable Corporations in the World" by Corporate Knights for the sixth year in a row.[21] In 2020, the Issuer was ranked first in "America's Most Responsible Companies" rankings by Newsweek which rates organizations on environmental, social, and corporate governance criteria.[22] In the same year, HP was included in the Dow Jones Sustainability World Index, and received A rating (Leadership band) by CDP for its disclosures on Climate Change, Forests, and Water Security.[23]

HP's sustainability strategy is based around its three Sustainable Impact Pillars: (i) Climate Action (Planet), (ii) Human Rights (People), and (iii) Digital Equity (Community).[24] Sustainalytics highlights the following elements from HP's sustainability strategy that are particularly aligned with the Framework:

- Climate Action (Planet): Consistent with its intent of transforming its entire business to advance a more efficient, circular, and net-zero carbon economy, HP has set the specific environmental targets across the following parameters:[25]
    - Renewable energy – HP has set an interim target of achieving 60% renewable electricity in its global operations by 2025, and 100% renewable electricity by 2035. In FY2019, the Issuer had achieved 43% of its 2035 renewable energy target. In the same year, it became a signatory to the Renewable Thermal Energy Buyers' Statement.[26]
    - GHG emissions – In April 2021, HP announced its goal of achieving net zero GHG emissions across its value chain by 2040.[27] In line with this goal, HP intends to be carbon neutral in its operations by 2025 and has set targets of achieving a 50% reduction in its Scope 1,2, and 3 GHG emissions, by 2030, compared to the 2019 levels. HP's 1.5°C-aligned target of achieving a 60% reduction in its Scope 1 and 2 emissions by 2025, compared to 2015 (the "Baseline Year"), has been validated by the Science Based Targets initiative, which Sustainalytics views as a best practice for emissions reductions targets. In FY2019, the Issuer was able to achieve 44% reduction in GHG emissions and 18% reduction in emissions intensity, compared to the Baseline Year levels.[28]
    - Green buildings – HP intends for all new facilities to achieve LEED v4 Gold, BREEAM, or other equivalent local certification standards. In FY2019, 18 HP facilities had achieved LEED or local equivalent certifications.[29]
    - Energy efficiency – HP aims to reduce its operational energy consumption through initiatives such as multi-site chiller plant optimization initiative, compressed air optimization, smart building initiatives, retro-commissioning, conversion to LED lighting, and lighting control upgrades. In FY2019, the Issuer had implemented 29 projects across 18 locations with a cumulative potential to save 8,700 MWh of annual energy consumption. In the same year, it became the first company to have its desktops, notebooks, all-in-ones, workstations, and thin clients[30] registered on the EPEAT 2019 "Gold", and "Silver" ecolabels.[31]

[20] HP website, "About Us", at: https://www8.hp.com/ca/en/hp-information.html
[21] HP document, "Sustainable Impact Awards", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06009298
[22] Ibid.
[23] Ibid.
[24] HP report, "Sustainable Impact Report- Sustainable Impact Strategy" (p7), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[25] HP report, "Sustainable Impact Report- People" (p9), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[26] Signatories to Renewable Thermal Energy Buyers' Statement indicate their support for market-ready, sustainable, renewable thermal solutions to meet their economic, GHG emission reduction, and renewable energy goals. More details at: RTC website, "Signatories", at: https://www.renewablethermal.org/buyers-statement/#:~:text=The%20Renewable%20Thermal%20Energy%20Buyers'%20Statement&text=Globally%2C%20industrial%20heat%20makes%20up,fifth%20of%20total%20energy%20consumption.&text=We%20believe%20that%20a%20mature,innovation%2C%20and%20reduce%20GHG%20emissions.
[27] Forbes report, "HP Celebrates Earth Day 2021 With Aggressive Climate Action Goals", at: https://www.forbes.com/sites/patrickmoorhead/2021/04/20/hp-celebrates-earth-day-2021-with-aggressive-climate-action-goals/?sh=7f6886991646
[28] Ibid.
[29] Ibid.
[30] A thin client is a computer that runs from resources stored on a central server instead of a localized hard drive. More details at: Force Point website, "What is a Thin Client?", at: https://www.forcepoint.com/cyber-edu/thin-client#:~:text=A%20thin%20client%20is%20a,%2C%20and%20memory%2C%20are%20stored.
[31] Ibid.

- Resource efficiency and circular economy – HP has set a target of using 30% postconsumer recycled plastic content across its Product Portfolio and eliminating 75% of single-use plastic packaging by 2025 (compared to 2018 figures). In FY2019, the Issuer increased the use of postconsumer recycled plastic to 9% and reduced the use of single-use plastic by 5%. In addition, it intends to recycle 1.2 million tons of hardware and supplies by 2025 (compared to 2016 figures), and by the end of 2019, it had recycled around 528.3 thousand tons of waste.[32] The Issuer also intends to achieve zero waste in its self-managed facilities by 2025.[33]
- Forest conservation – HP aimed to achieve zero deforestation associated with its brand paper and paper-based product packaging by 2020 and achieved the target for its brand paper well within timeline.[34] Additionally, HP, in partnership with World Wildlife Foundation, is investing in forest preservation and restoration projects, aiming to conserve nearly 200,000 acres of forests in Brazil and China and deliver conservation results that take into account the tons of paper used by consumers in HP printers over four years.[35]

- Human Rights (People): With an intent of advancing human rights, social justice, and racial and gender equality across its ecosystem, HP has made noteworthy quantitative and timebound commitments, intending to double factory participation in its supply chain sustainability programs by 2025 and has achieved a 53% increase in FY2019, compared to the Baseline year. In line with this, the Issuer aims to allocate 10% of its diversity spend to Black and African American ("BAA") suppliers and achieve 10% representation of BAA among its supplier account managers, by 2022. In addition, it has set a goal to double the number of its BAA executives, as well as their promotion rate and technical representation by 2025.[36]
- Digital Equity (Community): HP intends to unlock educational and economic opportunity through the power of technology through its targets of enabling better learning outcomes for 100 million people (compared to the Baseline year) and enrolling 1 million HP LIFE users by 2025. In FY2019, HP had benefitted more than 28.7 million learners through its educational programs and enrolled around 214 thousand users across different HP LIFE courses.[37] To address the accessibility gap in education created by COVID-19, HP launched a series of partnership-based educational programs including HP Turn to Learn, which delivers educational content primarily focused on Science, Technology, Engineering, and Mathematics ("STEM") and environmental topics to identified school districts in the U.S. [38]

Sustainalytics is of the opinion that the Framework is aligned with HP's overall sustainability strategy and initiatives and will further the Issuer's action on its key environmental priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are expected to have positive environmental and social impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include occupational health and safety, community relations/stakeholder participation, emissions, effluents, and waste generated during construction or manufacturing process.

Sustainalytics is of the opinion that HP is able to manage and/or mitigate potential risks through implementation of the following:

- HP has adopted an Environmental, Health, and Safety (EHS) Policy that addresses environmental risks including resource consumption, air emissions and water discharge, and employee health risks including occupational injuries and illness, through proactive measures and compliance with the local legal requirements.[39] The Issuer's EHS management system aligns with the American National

[32] Ibid.
[33] Forbes report, "HP Celebrates Earth Day 2021 With Aggressive Climate Action Goals", at: https://www.forbes.com/sites/patrickmoorhead/2021/04/20/hp-celebrates-earth-day-2021-with-aggressive-climate-action-goals/?sh=7f6886991646
[34] Forbes report, "10 Most Sustainable Consumer Tech Companies", at: https://www.forbes.com/sites/blakemorgan/2020/11/09/10-most-sustainable-consumer-tech-companies/?sh=360fd22e49a8
[35] WWF website, "Deep Dive: WWF and HP's New Partnership to Conserve Forests", at: https://www.worldwildlife.org/blogs/sustainability-works/posts/deep-dive-wwf-and-hp-s-new-partnership-to-conserve-forests
[36] HP report, "Sustainable Impact Report- People" (p9), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[37] HP report, "Sustainable Impact Report- Community" (p10), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[38] HP website, "HP Inc. Launches Digital Learning Partnerships to Support Students and Schools Impacted by COVID-19", at: https://press.hp.com/us/en/press-releases/2020/hp-inc-launches-digital-learning-partnerships-to-support-students-and-schools-impacted-by-covid-19.html
[39] HP document, "HP Environmental, Health and Safety Policy", at: https://www8.hp.com/h20195/v2/GetPDF.aspx/c05530638

Standards Institute Z10 standard,[40] and the International Organization for Standardization 14001 standard.[41]

- HP also has a Sustainable Impact and Human Rights Policy which encapsulates its social and environmental commitments. The social commitments include HP's stakeholders such as suppliers, employees, and communities, and the scope of HP's environmental commitments extends to its operations, products, solutions, and the reuse and recycling process.[42]
- HP's Environmental Sustainability statement includes a series of policy recommendations for energy efficiency, sustainable public procurement, climate change, circular economy, 3D-printing, and management and restrictions on hazardous substances.[43] In addition, the Issuer has defined specific environmental thresholds and exclusions for all its products including parts, materials, components, and packaging.[44]
- To address risks associated with construction activities, HP has developed a "Green and Smart Construction Playbook" which guides its project managers on an integrated design approach, and covers key environmental principles on energy use, indoor air quality, water consumption, waste recycling, and smart building technology.[45]
- In terms of its supplier sustainability requirements, the Issuer has adopted a Supplier Code of Conduct[46] addresses key risks in its supply chain including labor rights, business integrity, occupational safety, hazardous substances and solid waste, energy consumption and emissions, along with Supply Chain Social and Environmental Responsibility Policy,[47] which requires its suppliers "to understand and reduce the environmental impacts of their operations and of the products and services they provide to HP".

Based on these policies, standards, and assessments, Sustainalytics is of the opinion that HP has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are aligned with those recognized by GBP or SBP. Sustainalytics has focused on three below where the impact is specifically relevant in the local context.

Importance of eco-efficient products in the IT industry

To address the energy and material efficiency of their products, HP has developed an R&D strategy to fund the design of products that contribute to its sustainability targets on product energy efficiency, ecolabel coverage, reduced plastic packaging and increased use of post-consumer recycled plastic.

- Product energy efficiency: Computers and office equipment account for one of the largest shares of electricity consumption in commercial buildings in the U.S, using 16% of the total annual electricity consumption in 2019.[48] In 2019, GHG emissions from the use of HP's products accounted for 48% of its overall carbon footprint. Half of these emissions came from electricity use by its products.[49] To address this, HP has been working to improve energy efficiency in its products. For example, the energy consumption of its personal systems products dropped by 50% in 2019 and that from its home and office printers dopped by 81% in 2018, when compared with 2011 levels.[50]

[40] ASSP website, "OSH Management (Z10)", at: https://www.assp.org/standards/standards-topics/osh-management-z10
[41] ISO website, "ISO 14000 Family- Environmental Management", at: https://www.iso.org/iso-14001-environmental-management.html
[42] HP document, "HP Sustainable Impact and Human Rights Policy", at: https://www8.hp.com/h20195/v2/GetDocument.aspx?docname=c05075378#:~:text=Environment%2C%20Health%20and%20Safety%2C%20and,ensures%20the%20health%2C%20safety%2C%20and
[43] HP document, "HP Policy Position- Environmental Sustainability", at: https://h20195.www2.hp.com/V2/GetDocument.aspx?docname=c05346469
[44] HP document, "HP Standard 011 General Specification for the Environment", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c04932490
[45] HP report, "HP 2019 Sustainable Impact Report- Our Facilities" (p59), at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[46] HP document, "HP Supplier Code of Conduct", at: https://h20195.www2.hp.com/v2/getpdf.aspx/c04797684
[47] HP document, "HP Supply Chain Social and Environmental Responsibility Policy", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c04797682
[48] U.S Energy Information Administration, "Electricity Explained", at: https://www.eia.gov/energyexplained/electricity/use-of-electricity.php
[49] HP, "Sustainable Impact Report 2019", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[50] HP, "Sustainable Impact Report 2019", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778

- Ecolabel coverage: As covered in Section 2, HP targets increased ecolabel coverage across product portfolio (i.e. EPEAT, Energy Star, Blue Angel or TCO Certified). Currently, 72% of its personal systems and 81% of printers are EPEAT certified, over 90% of its personal systems and printers have Energy Star labels, 43% of its personal systems have TCO Certified and 66% of its printers are Blue Angel complaint.[51]
- Reduced plastic packaging: Globally, the largest proportion of plastic production is used for plastic packaging. In 2015, it accounted for 45% or 146 million tonnes of the global primary plastic production.[52] Yet, 72% of this gets sent to the landfill or leaks out into the ecosystem.[53] HP has set targets to reduce its use of plastic packaging from a 2018 baseline, as Section 2 covers in detail. As of 2019, HP achieved a 5% reduction in plastic packaging at 209 grams per unit, when compared with 221 grams per unit in 2018.[54]
- Plastics recovery and recycling: More than 8 million tonnes of plastic enters the oceans each year. Plastic waste kills up to 1 million sea birds and 100,000 marine animals every year.[55] In 2019, HP used over 25,000 tonnes of recycled and ocean bound plastic or 9% of its total plastic use in its products. HP has launched a program in Haiti to upcycle more than 35 million (or over 450 tonnes) ocean bound plastic bottles. Details on HP's targets to use more post-consumer recycled plastic in its products is available in Section 2.

Based on the above, Sustainalytics is of the opinion that HP's efforts to improve eco-efficiency through increasing energy efficiency, improving eco-label coverage, reducing plastic packaging and using post-consumer recycled plastics in its products and its concrete targets towards achieving them are impactful.

Importance of extended product life and recycling consumer electronics

In 2019, the world generated 53.6 million tonnes of electronic waste. This number is expected to reach 74.7 million tonnes by 2030. Only 17% of this waste was collected and recycled in 2019, with the remaining landfilled, incinerated or managed by the informal sector in potentially unsafe conditions.[56] Electronic waste contains toxic substances such as mercury or brominated flame retardants which pose serious risks to human and environmental health. To address this issue, HP follows a three-pronged approach by designing products for recovery, extending product life through repairing, remanufacturing, and reusing, and recycling materials into new products. In 2019, it repaired 4.62 million units of hardware and remarketed and reused 1.21 million units, together accounting for 4% of HP's worldwide hardware sales. It also recycled 17% of worldwide hardware sales in the same year.[57]

Based on this, Sustainalytics is of the opinion that HP's efforts to tackle electronic waste through repair, remanufacture, reuse and recycling are expected to have positive environmental benefits.

Relevance of digital inclusion for education

Around the world, 132 million girls remain out of school due to a mix of reasons that include poverty, child marriage, and gender-based violence.[58] While distance learning through digital education is emerging as a way to combat this issue, it remains inaccessible to many. Estimates suggest that globally, close to 50% (826 million) of students do not have access to a household computer and 43% (706 million) have no internet at home. The condition is worse in regions like Sub-Saharan Africa where 89% of students do not have access to household computers and 82% lack internet access.[59] Digital inclusion is also emerging as a key concern during the COVID-19 pandemic, as millions of children are forced to learn outside of the classroom. Digital

[51] HP, "Sustainable Impact Report 2019", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778
[52] Our World in Data, "Plastic Pollution", at: https://ourworldindata.org/plastic-pollution
[53] World Economic Forum, "The New Plastics Economy", at: http://www3.weforum.org/docs/WEF_The_New_Plastics_Economy.pdf
[54] HP, "Sustainable Impact Report 2019", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778

[55] Sustainable Development Knowledge Platform, "Factsheet: Marine Pollution", at: https://sustainabledevelopment.un.org/content/documents/Ocean_Factsheet_Pollution.pdfUN Sustainable Development Knowledge Platform, "Factsheet: Marine Pollution", at: https://sustainabledevelopment.un.org/content/documents/Ocean_Factsheet_Pollution.pdf
[56] Forti, A. et al. (2020), "The Global E-waste Monitor 2020", United Nations, at: https://www.itu.int/en/ITU-D/Environment/Pages/Spotlight/Global-Ewaste-Monitor-2020.aspx
(ISWA), Bonn/Geneva/Vienna., at: https://www.itu.int/en/ITU-D/Climate-Change/Documents/GEM%202017/Global-E-waste%20Monitor%202017%20.pdf
[57] HP, "Sustainable Impact Report 2019", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778

[58] UNICEF, "Girls' Education", at: https://www.unicef.org/education/girls-education
[59] UNESCO, "Startling digital divides in distance learning emerge", at: https://en.unesco.org/news/startling-digital-divides-distance-learning-emerge

inclusion initiatives by HP aim to leverage technology to provide equitable access to education and deliver educational opportunities to women, girls, and marginalized and vulnerable populations. With an aim to enable better learning outcomes for 100 million people by 2025, HP's initiatives reach 28 million students, teachers and adult learners as of FY2019. For example, HP – in partnership with United Nations Industrial Development Organization – provides access to 32 free courses in seven languages to aspiring entrepreneurs. The program is set to expand to Africa, with a target of onboarding 100,000 learners over the next three years and expanding to reach women, girls and other underserved groups. It also working with the Clooney Foundation for Justice to expand digital equity for refugees in Lebanon. HP also has a World on Wheels learning labs program which provides solar powered, internet enabled mobile labs in rural areas in India that aims to reach 15 million people in 6,400 Indian villages by 2022.[60]

Based on the above, Sustainalytics is of the opinion that the use of proceeds from this category has clear social benefits and is expected to positively impact efforts towards enabling digital inclusion and access to education for all.

Alignment with/contribution to SDGs

The SDGs were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds issued under the Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Energy Efficiency		7.3 By 2030, double the global rate of improvement in energy efficiency.
Green Buildings	11. Sustainable Cities and Communities	11.3 Ensure inclusive and sustainable urbanization, planning and management
Clean Transportation		11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
Pollution Prevention and Control Eco-Efficient Products	9. Industry, innovation and infrastructure 12. Responsible Consumption and Production	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Environmentally Sustainable Management of Living Natural Resources and Land Use	15. Life on Land	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
Socio-Economic Advancement and Empowerment	4. Quality Education 10. Reduced Inequalities	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills,

[60] HP, "Sustainable Impact Report 2019", at: https://h20195.www2.hp.com/v2/GetDocument.aspx?docname=c06601778

		including technical and vocational skills, for employment, decent jobs and entrepreneurship 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Conclusion

HP has developed the HP Inc. Sustainable Bond Framework under which it may issue Sustainable Bonds and use the proceeds to finance and/or refinance a range of environmental projects associated with renewable energy, low-carbon buildings and transportation, pollution prevention and control, forestry, and resource efficiency, and social projects that aim to advance socioeconomic development. Sustainalytics considers that the projects funded by the sustainability bond proceeds are expected to provide positive environmental and social impact.

The Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the company and that the use of proceed categories will contribute to the advancement of the UN SDGs 4, 7, 9 10, 11, 12, and 15. Additionally, Sustainalytics is of the opinion that HP has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that HP is well-positioned to issue sustainability bonds and that that HP Inc. Sustainable Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020).

Appendices

Appendix 1: Overview of Referenced Green Building Certification Schemes

	LEED[61]	BREEAM[62]
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, BREEAM can be used for new, refurbished and extension of existing buildings.
Certification Levels	• Certified • Silver • Gold • Platinum	• Pass • Good • Very Good • Excellent • Outstanding
Areas of Assessment	• Energy and Atmosphere • Sustainable Sites • Location and Transportation • Materials and Resources • Water Efficiency • Indoor Environmental Quality • Innovation in Design • Regional Priority	• Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation
Requirements	Prerequisites (independent of level of certification) + Credits with associated points. These points are then added together to obtain the LEED level of certification. There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	Prerequisites depending on the levels of certification. Credits with associated points. This number of points is then weighted by item and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.
Performance Display		

[61] USGBC, "LEED rating system", at: www.usgbc.org/LEED.
[62] BREEAM, "How certification works" at: https://www.breeam.com/discover/how-breeam-certification-works/.

Accreditation	LEED AP BD+C LEED AP O+M	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor
Qualitative Considerations	Widely recognized internationally, and strong assurance of overall quality.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.

Appendix 2: Overview of the Referenced Product Ecolabels

	EPEAT[63]	ENERGY STAR[64]	Blue Angel[65]	TCO Certified[66]
Background	The Electronic Product Environmental Assessment Tool ("EPEAT") is a global ecolabel covering products and services from the technology sector. The Global Electronics Council manages the EPEAT ecolabel.[67]	ENERGY STAR is a U.S Environmental Protection Agency voluntary program that provides independently certified energy efficiency ratings for products, homes, buildings, and industrial plants. Certification is given on an annual basis, so a building must maintain its high performance to be certified year to year.	The Blue Angel is the government of Germany's voluntary ecolabel program introduced in 1978. It is awarded to environmentally friendly products in around 100 product groups such as paper products, cleaning agents, vehicles, packaging, clothing, furnishings, construction products, electric devices, ICT etc. The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety is the owner of the label and develops guidelines. Specialist expertise regarding compliance criteria is provided by the Federal Environment Agency. Decisions regarding new product groups and approval of the award criteria is done by the Environmental Label Jury, a voluntary, independent and impartial body. Examining the applications and verification of compliance is done by RAL gGmbH, an independent non-profit.	TCO Certified is an independent third-party certification for IT products developed by TCO, the Swedish Confederation of Professional Employees. It is available for 11 product categories covering displays, notebooks, displays, notebooks, tablets, smartphones, desktops, all-in-one PCs, projectors, headsets, and data center products such as network equipment, data storage products and servers. A supplemental certification to TCO Certified is called TCO Certified Edge. It focuses on specific sustainability criteria, intended for best-in-class products.
Certification levels	• Bronze • Silver • Gold	Binary- no levels; just single award of eco-label	No levels, just single award of eco-label	TCO Certified TCO Certified Edge
Areas of Assessment	Assessment criteria under Voluntary Consensus Process: • Openness • Balance • Due process • Appeal process • Consensus Criteria under Dynamic Standards Development Process include: • Impact • Efficiency • Innovation	Energy use	Blue Angel has specific standards for each product type. The awards criteria include the following. • Resource-saving production (water, energy, (recycled) materials) • Sustainable production of resources • Avoidance of harmful substances in the product • Reduced emissions of harmful substances in the ground, air, water and indoors • Reduced noise and electromagnetic radiation	The criteria for assessment are specific to each product category. The criteria for TCO Certified broadly cover the following aspects. • Socially responsible manufacturing • Environmental responsible manufacturing • User health and safety • Product performance • Product lifetime extension • Reduction of hazardous substances • Material recovery • Sustainability performance indicators

63 EPEAT website, "About EPEAT", at: https://www.epeat.net/about-epeat
64 ENERGY STAR website, "What is ENERGY STAR", at: https://www.energystar.gov/about?s=mega
65 Blue Angel website, "Our label for the environment", at: https://www.blauer-engel.de/en/our-label-environment
66 TCO Certified website, "About TCO Certified", at: https://tcocertified.com/tco-certified/
67 GEC website, "EPEAT Overview", at: https://greenelectronicscouncil.org/epeat/epeat-overview/

			• Efficient use, e.g. products which save energy or water • Longevity, ability to repair and recycle the product • Good fitness for use • Compliance with international occupational safety standards Take-back systems and shared-use services	TCO Certified Edge requires compliance with all TCO certified criteria plus one additional product-specific criteria among the following. • Compensation of e-waste for notebooks, tablets, and smartphones • Minimum 85% recycled plastic content for displays • Halogen free display for displays • Full function ergonomic display stand for displays • High brightness /daylight readable for notebooks • Minimum 50% post-consumer recycled plastic content for PCs Enhanced acoustic limiting for headsets
Requirements	• The EPEAT assessment criteria differ for each product category (particularly computers & displays, imaging equipment, mobile phones, photovoltaic modules and invertors, servers, and TVs) • Manufacturers interested in registering their products with EPEAT engage one of the certification and testing organizations that make up EPEAT's global network of Conformity Assurance Bodies ("CABs").[68] • The CABs conduct a comprehensive "Desk Review" process on the manufacturer's initial registrations during which, the manufacturer must answer questions about the product declaration(s) and may need to provide evidence consistent with the standard's Verification Evidence requirements. The EPEAT Program ensures the veracity of EPEAT-registered products through an ongoing surveillance process known as Continuous Monitoring.	Products can earn the ENERGY STAR label by meeting the energy efficiency requirements set forth in ENERGY STAR product specifications (varies for each category). EPA establishes these specifications based on the following set of key guiding principles:[69] • Certified products must deliver the features and performance demanded by consumers, in addition to increased energy efficiency. • If the certified product costs more than a conventional, less-efficient counterpart, purchasers will recover their investment in increased energy efficiency through utility bill savings, within a reasonable period of time. • Energy efficiency can be achieved through broadly available, non-proprietary technologies offered by more than one manufacturer. • Product energy consumption and performance can be measured and verified with testing. Labeling would effectively differentiate products and be visible for purchasers.	To use the Blue Angel label on their products, manufacturers have to first check if their product is included in the Basic Award Criteria and submit all required compliance verifications along with their application. Verification of compliance and contracting is done by RAL gGmbH. The label is valid for 3-5 years.	Certified products must meet all assessment criteria to qualify for TCO certified. The process for certification includes review of product categories and relevant criteria and working with a TCO approved verifier who carries out product testing and verify conformity with the criteria.

[68] GEC website, "EPEAT for manufacturers", at: https://greenelectronicscouncil.org/epeat/manufacturers/
[69] ENERGY STAR website, "How a Product Earns the ENERGY STAR Label", at: https://www.energystar.gov/products/how-product-earns-energy-star-label

Performance display				
Qualitative Considerations	The assessment is based on the lifecycle environmental aspects of products based on a set of environmental performance criteria.	Accounts only for energy use, not other measures of environmental performance.	The Blue Angel is a Type 1 environmental label based on ISO 14024 based on its independent product testing and transparent processes for the development and award of the label. It is also a part of GEN.	TCO Certified is a Type 1 Ecolabel as per ISO 14024 for voluntary, multi-criteria based, third party certifications for the use of ecolabels. It is also a part of the Global Ecolabelling Network (GEN).

Appendix 3: Overview of Referenced Forestry Certification

	FSC[70]
Background	Founded in 1993 after the 1992 Earth Summit in Rio failed to produce any international agreements to fight against deforestation, FSC aims to promote sustainable forest management practice.
Basic Principles	• Compliance with laws and FSC principles • Tenure and use rights and responsibilities • Indigenous peoples' rights • Community relations and workers' rights • Benefits from the forests • Environmental impact • Management plans • Monitoring and assessment • Special sites – high conservation value forests (HCVF) • Plantations
Governance	The General Assembly, consisting of all FSC members, constitutes the highest decision-making body. At the General Assembly, motions are proposed by one member, seconded by two more, and deliberated and voted on by all members. Members are entitled to vote to amend the bylaws, initiate new policies, and clarify, amend or overturn a policy decision by the board. Members apply to join one of three chambers – environmental, social, or economic – that are further divided into northern and southern sub-chambers. Each chamber holds 33.3% of the weight in votes, and within each chamber the votes are weighted so that the North and South hold an equal portion of authority, to ensure influence is shared equitably between interest groups and countries with different levels of economic development. The votes of all individual members in each sub-chamber represent 10% of the total vote of the sub-chamber, while the votes of organizational members make up the other 90%. The members vote for the board of directors, which is accountable to the members. There is an international board elected by all members and a US board, elected by the US-based members.
Scope	FSC is a global, multi-stakeholder owned system. All FSC standards and policies are set by a consultative process. There is an FSC Global standard and for certain countries FSC National standards. Economic, social, and environmental interests have equal weight in the standard setting process. FSC follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards.
Chain-of-Custody	• The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited by FSC and compliant with international standards. • CoC standard includes procedures for tracking wood origin. • CoC standard includes specifications for the physical separation of certified and non-certified wood, and for the percentage of mixed content (certified and non-certified) of products. • CoC certificates state the geographical location of the producer and the standards against which the process was evaluated. Certificates also state the starting and finishing point of the CoC.
Non-certified wood sources	FSC's Controlled Wood Standard establishes requirements to participants to establish supply-chain control systems, and documentation to avoid sourcing materials from controversial sources, including: a. Illegally harvested wood, including wood that is harvested without legal authorization, from protected areas, without payment of appropriate taxes and

[70] Forest Stewardship Council, FSC: https://ca.fsc.org/en-ca

	fees, using fraudulent papers and mechanisms, in violation of CITES requirements, and others, b. Wood harvested in violation of traditional and civil rights, c. Wood harvested in forests where high conservation values are threatened by management activities, d. Wood harvested in forests being converted from forests and other wooded ecosystems to plantations or non-forest uses, e. Wood from management units in which genetically modified trees are planted.
Accreditation/verification	FSC-accredited Certification Bodies (CB) conduct an initial assessment, upon successful completion companies are granted a 5-year certificate. Companies must undergo an annual audit every year and a reassessment audit every 5 years. Certification Bodies undergo annual audits from Accreditation Services International (ASI) to ensure conformance with ISO standard requirements.
Conclusion	Sustainalytics views FSC as being robust, credible standards that are based on comprehensive principles and criteria that are aligned with ISO. The scheme has received praise for its contribution to sustainable forest management practices[71] and has also faced criticism from civil society actors.[72] In certain instances, these standards go above and beyond national regulation and are capable of providing a high level of assurance that sustainable forest management practices are in place. However, in other cases, the standards are similar or equal to national legislation and provide little additional assurance. Ultimately, the level of assurance that can be provided by the scheme is contingent upon several factors including the certification bodies conducting audits, national regulations and local context.

[71] FESPA, FSC, PEFC and ISO 38200: https://www.fespa.com/en/news-media/blog/fsc-pefc-and-iso-38200
[72] Yale Environment 360, Greenwashed Timber: How Sustainable Forest Certification Has Failed: https://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed

Appendix 4: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	HP Inc.
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	HP Inc. Sustainable Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 4, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

☒	Use of Proceeds	☒	Process for Project Evaluation and Selection
☒	Management of Proceeds	☒	Reporting

ROLE(S) OF REVIEW PROVIDER

☒	Consultancy (incl. 2nd opinion)	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – Renewable Energy, Green Buildings, Energy Efficiency, Clean Transportation, Pollution Prevention and Control, Eco-Efficient Products, Environmentally Sustainable Management of Living Natural Resources and Land Use, and Socio-Economic Advancement and Empowerment – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 4, 7, 9, 10, 11, 12, and 15.

Use of proceeds categories as per GBP:

☒	Renewable energy	☒	Energy efficiency
☒	Pollution prevention and control	☒	Environmentally sustainable management of living natural resources and land use
☐	Terrestrial and aquatic biodiversity conservation	☒	Clean transportation
☐	Sustainable water and wastewater management	☐	Climate change adaptation
☒	Eco-efficient and/or circular economy adapted products, production technologies and processes	☒	Green buildings
☐	Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs	☐	Other (please specify):

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

☐	Affordable basic infrastructure	☐	Access to essential services
☐	Affordable housing	☐	Employment generation (through SME financing and microfinance)
☐	Food security	☒	Socioeconomic advancement and empowerment
☐	Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	☐	Other (please specify):

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

HP intends to establish a committee comprising of representatives from its Sustainability, Treasury, and Finance teams, that will be responsible for the annual assessment and selection of Eligible Projects per the criteria defined in the Framework. HP's Sustainability Lead will provide the final approval on the Eligible Projects. Sustainalytics considers the project selection process to be in line with market practice.

Evaluation and selection

- ☒ Credentials on the issuer's social and green objectives
- ☒ Documented process to determine that projects fit within defined categories
- ☐ Defined and transparent criteria for projects eligible for Sustainability Bond proceeds
- ☒ Documented process to identify and manage potential ESG risks associated with the project
- ☐ Summary criteria for project evaluation and selection publicly available
- ☐ Other (please specify):

Information on Responsibilities and Accountability

- ☒ Evaluation / Selection criteria subject to external advice or verification
- ☐ In-house assessment
- ☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

HP's Finance group will be responsible for the allocation and tracking of net proceeds to Eligible Projects. HP intends to allocate a vast majority of the proceeds raised within 18 to 24 months from the date of bond issuance. The unallocated proceeds will be used to re-financing existing debt, or held in cash, cash equivalents and/or invested in liquid marketable instruments. This is in line with market practice.

Tracking of proceeds:

- ☒ Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

Additional disclosure:

- ☐ Allocations to future investments only
- ☒ Allocations to both existing and future investments

☐ Allocation to individual disbursements
☐ Allocation to a portfolio of disbursements
☐ Disclosure of portfolio balance of unallocated proceeds
☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

HP intends to publish Sustainable Bond Reports, together with its Sustainable Impact Reports, to provide allocation and, where feasible, impact reporting on its website on an annual basis until full allocation. The allocation reporting is expected to include project or category-level details on the Eligible Projects and the balance of unallocated proceeds. In addition, HP intends to report on relevant quantitative impact where feasible and has provided indicative metrics within the Framework. Sustainalytics views HP Inc.'s allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

☐ Project-by-project
☒ On a project portfolio basis
☐ Linkage to individual bond(s)
☐ Other (please specify):

Information reported:

☒ Allocated amounts
☐ Sustainability Bond financed share of total investment
☐ Other (please specify):

Frequency:

☒ Annual
☐ Semi-annual
☐ Other (please specify):

Impact reporting:

☐ Project-by-project
☒ On a project portfolio basis
☐ Linkage to individual bond(s)
☐ Other (please specify):

Information reported (expected or ex-post):

☒ GHG Emissions / Savings
☒ Energy Savings
☒ Decrease in water use
☒ Number of beneficiaries
☒ Target populations
☒ Other ESG indicators (please specify): Percentage of portfolio covered by EPEAT, Energy Star, Blue Angel or TCO ecolabels, Total acres of forest protected, restored and improved through HP's Forest Positive Framework,

and Percentage increase in black African American Executives

Frequency:

☒ Annual ☐ Semi-annual

☐ Other (please specify):

Means of Disclosure

☐ Information published in financial report ☒ Information published in sustainability report

☐ Information published in ad hoc documents ☒ Other (please specify): Standalone report(s)

☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

https://www8.hp.com/us/en/hp-information/sustainable-impact.html

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

☐ Consultancy (incl. 2nd opinion) ☐ Certification

☐ Verification / Audit ☐ Rating

☐ Other *(please specify)*:

Review provider(s): **Date of publication:**

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

i. Second-Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of

funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.

iii. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

Disclaimer

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.